

**City of Ramsey**  
**Agenda**  
**Economic Development Authority (EDA)**  
**Thursday January 10, 2013**  
**7:30 am**  
**Lake Itasca Room, 7550 Sunwood Drive NW**

- 1. Call to Order**
- 2. Approve Agenda**
- 3. Approve Minutes**
  1. Approve EDA Regular Meeting Minutes dated December 13, 2012
- 4. EDA Business**
  1. Election of Officers
  2. Discuss Future Land Use Options for the General Business District Node at 167th Avenue and Trunk Highway (TH) 47
  3. 2013 Annual EDA Business Expo; and Consideration of Annual Outdoor Expo/Event (RV)
  4. Business Retention Program Update
  5. Updates: Old City Hall Development (data center), Nordvick Property Demolition, Kuro Fitness RLF, 6701 Highway 10, Windsorwood Sale, 8019 146th Ave.
  6. Prospect Update
- 5. Member/Staff Input**
- 6. Adjournment**

**Economic Development Authority (EDA)**

**3. 1.**

**Meeting Date:** 01/10/2013

**By:** Jo Thieling, Administrative Services

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**Title:**

Approve EDA Regular Meeting Minutes dated December 13, 2012

**Background:**

Meeting minutes are attached for approval.

**Observations:**

**Funding Source:**

**Staff Recommendation:**

**EDA Action:**

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**Attachments**

[EDA Meeting Minutes 121312](#)

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**Form Review**

**Inbox**

Kurt Ulrich

Form Started By: Jo Thieling

**Reviewed By**

Kurt Ulrich

**Date**

01/03/2013 05:06 PM

Started On: 01/03/2013 04:57 PM

Final Approval Date: 01/03/2013

**ECONOMIC DEVELOPMENT AUTHORITY  
CITY OF RAMSEY  
ANOKA COUNTY  
STATE OF MINNESOTA**

The City of Ramsey Economic Development Authority (EDA) conducted a regular meeting on Thursday, December 13, 2012, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present:     Chairperson Chris Riley  
                          Member John LeTourneau  
                          Member Colin McGlone  
                          Member Wayne Skaff  
                          Member Jim Steffen  
                          Member Kristine Williams

Members Absent:     Member Jeffrey Wise

Also Present:        Patrick Brama, Management Analyst  
                          Kurt Ulrich, City Administrator

**1.     CALL TO ORDER**

Chairperson Riley called the Economic Development Authority meeting to order at 7:32 a.m.

**2.     APPROVE AGENDA**

Motion by Member Skaff, seconded by Member LeTourneau, to approve the agenda.

Motion carried.    Voting Yes: Chairperson Riley, Members Skaff, LeTourneau, McGlone, Williams, and Steffen.   Voting No: None.   Absent: Member Wise.

**3.     APPROVE MINUTES**

**3.01:   Approve Meeting Minutes Dated November 8, 2012**

Motion by Member Steffen, seconded by Member Williams, to approve the minutes dated November 8, 2012.

Motion carried.    Voting Yes: Chairperson Riley, Members Steffen, Williams, Skaff, LeTourneau, and McGlone.   Voting No: None.   Absent: Member Wise.

**4.     EDA BUSINESS**

**4.01:   Consider Proposal – Hwy 47 and CSAH 116 Intersection Study**

City Administrator Ulrich stated a proposal was received for an engineering study on the intersection of Highway 47 and CSAH 116 in light of Anoka County's policy of closing down access points at intersections and concerns expressed by local businesses of having their access closed. He stated the City reached agreement with the County that if open median cuts or additional access cuts are to be considered, an engineering study is needed to determine that traffic can be accommodated and businesses kept open. He advised the City received a proposal from WSB & Associates for approximately \$24,000 to study the intersection and noted that the City of Anoka would pay for half of the cost of the study. He stated the City Council reviewed the proposal on December 11, 2012, and voiced concern primarily regarding the potential that Mn/DOT might require the closure of additional access points. He stated the City Council referenced in particular the access at 142<sup>nd</sup> Street, which intersects with a State Highway and questioned the need to spend money on this study. He indicated the City Council did not approve the study and directed staff to meet with Mn/DOT to discuss the possibility of additional access closures. He also recommended that the EDA take no action on this item today.

Member McGlone stated his opinion that this issue should be addressed at the legislative level and did not feel the City should spend money on an engineering study.

Motion by Member Williams, seconded by Member Skaff, to take no action regarding the proposed engineering study pending further action by the City Council.

Motion carried. Voting Yes: Chairperson Riley, Members Williams, Skaff, LeTourneau, McGlone, and Steffen. Voting No: None. Absent: Member Wise.

#### **4.02: Business Retention Program Update**

Management Analyst Brama explained that staff compiled a list of 50 businesses and approximately 25 businesses responded that they were interested in a visit with City staff. He stated that 14 business visits have been completed, four visits are currently scheduled, and 2-5 visits are pending. He indicated that overall, the visits were positive and well received and a number of businesses stated their appreciation for this initiative by the EDA. He noted that a number of businesses have asked to keep their information confidential; as a result, the monthly written update provided to the EDA will not contain public information. He indicated that three businesses have expressed an interest in expanding in the City and 14 businesses indicated they expect to expand their business in the coming years. He stated that a lot of follow-up was requested from the businesses and staff will continue working with the businesses to address their concerns and answer their questions. He stated after all the initial visits are completed, staff will provide the EDA with an executive report. He reminded the EDA about the Life Fitness tour and business visit on Thursday, January 10, 2013, at 9:30 a.m. and encouraged the EDA to attend. He added that the EDA is welcome to attend any of the business visits.

Member Skaff advised he attended the business visit at Allina and Allina representatives indicated they have an issue with their building's signage on Ramsey Boulevard and Sunwood. He stated Allina has posted a 4x4 banner in their lawn because the building has no signage on that corner. He indicated they talked about how to help them increase their visibility and the Allina representative expressed gratitude for meeting with them.

Member McGlone stated the issue at this location is that the switchboxes were installed so close to the corner of the property and suggested allowing Allina to have signage on the top of its building facing Ramsey Boulevard and Sunwood.

Member LeTourneau thanked Management Analyst Brama for his efforts and felt this process was going well.

Member Steffen asked if the City received any negative feedback or criticism.

Management Analyst Brama replied there were comments received regarding the Flaherty and Collins project, as well as the City's involvement in The COR, City politics, and Highway 10. He added the overall process has been positive and has helped build respect and mend relationships.

City Administrator Ulrich thanked Management Analyst Brama for his leadership role on this project.

Management Analyst Brama stated the executive report will include recommendations based on the comments heard from local businesses as to how the City might make changes to accommodate those comments and requests.

**4.03: Updates: Fall Networking Event, 167/47 Node, Old City Hall Development, Nordvick Property Demolition, Kuro Fitness RLF, 6745 Highway 10, CDBG Opportunity, EDA Board Structure/Timeline, Pro Power Sports Property, 8019 146<sup>th</sup> Ave.**

Management Analyst Brama reported the Fall Networking Event on November 29<sup>th</sup> was attended by 60 people and was a positive event with a lot of good feedback received and he felt it was worthwhile to continue holding the event. He reported that interest by potential users has been received for the commercial node at 167/47 and staff has been in discussion with one property owner about rezoning as a solution to make this property economically viable. He added an update will be provided to the EDA in January. He reported that staff is moving forward on obtaining shovel ready certification for the Old City Hall site and staff is also continuing its planning efforts for different scenarios as well as a review of the effects on neighboring properties. He reported that progress continues on the demolition of the Nordvick property and staff is waiting for a final report and updates will be provided in January. He reported that the RLF for Kuro Fitness was approved in November and staff is waiting for the business to open in order to close on the loan. He reported that staff is prioritizing opportunities for applying for CDBG grants for a local project in 2013 and this will be wrapped in with the EDA's work plan process with further details provided as the EDA completes its work plan. He reported that a Chair and Vice Chair for the EDA will be elected in January and staff will be looking for recommendations from the EDA. He stated the City Council representatives on the EDA will be appointed in January and the two open seats will be filled in April. He reported that the Pro Power Sports building was recently sold to Mr. Todd Amar who is the main tenant in the

building. He stated the City recently demolished the property located adjacent to the EDA property known as the Schmidtbauer property, which is part of the Armstrong realignment.

Management Analyst Brama suggested holding the 2013 business expo on Saturday, May 11, 2013.

Member Skaff noted that that weekend is the fishing opener and suggested holding the annual business expo on Saturday, May 4<sup>th</sup>.

Management Analyst Brama agreed to schedule the 2013 business expo on Saturday, May 4, 2013.

Member Skaff requested an update on the COR.

City Administrator Ulrich advised that both McDonalds and SuperAmerica are planning to begin construction in the spring and are moving through the final document phases. He also advised that the Ramsey Raceway at the corner of Armstrong and Highway 10 requested an amendment to the lease to coincide with its interim use permits and wanted to eliminate the early-out clause. He explained the discussion held at the City Council regarding the early-out clause and stated the road is the driving factor; the City Council postponed action on this item until January.

City Administrator Ulrich provided an update regarding rail ridership and stated the average ridership is 260/day, which exceeds the 230/day bus ridership at this station. He also provided an update regarding a virtual library facility proposed by the County Library system that would be housed at City Hall. He stated services would include book checkout and drop-off and a vending machine where people could download books. He stated this virtual library system would expand the library's reach and provide an additional level of service to the City's customers.

Member Skaff encouraged staff to continue to press legislators regarding the Highway 10 issues.

City Administrator Ulrich indicated there was a lot of interest expressed at the recent meeting with legislators in doing something with Highway 10 and legislation was authored to provide \$17 million for the Armstrong interchange project. He added that Mn/DOT is doing a study that will identify the more immediate safety concerns.

Member Steffen requested an update regarding a potential senior housing project in the COR.

City Administrator Ulrich advised the parties have until December 15 to let the City know which site they are choosing, either the site on the corner of Ramsey Boulevard and CSAH 116 or a site located on the interior of The COR near Center Street. He stated the development on the north side of Bunker Lake Boulevard north of The COR is scheduled for spring construction. He reported the City received a \$600,000 grant from the Met Council for construction of Center Street as well as a \$100,000 grant to plan for walkways and pedestrian access across Highway 10 to connect to the rail station. He added the Diamonds property and Hope Fellowship property have been put under contract to purchase which will result in one consolidated parcel of land.

#### **4.04: Prospect Update**

Management Analyst Brama stated a manufacturing business ("Alpha") is considering a large expansion within Ramsey and is considered a strong prospect with decisions made over the next year. He stated an industrial supply business ("Beta") with two locations in the City is looking for an additional 5,000 square feet for a specialized portion of its business. He stated a manufacturing business ("Charlie") is looking for an additional 10,000 square feet but is considered a weak prospect. He stated a data center business ("Delta") under consideration for the old municipal center is considered a weak prospect. He added the City is working through Connexus on this prospect. He stated there are three additional prospects that the City has met with but staff has not heard back from any of these prospects.

#### **5. Member/Staff Input**

Member Steffen requested an update regarding a meeting with local recreational vehicle dealers to plan the expo.

Management Analyst Brama stated that a meeting has not yet been scheduled.

Member Steffen asked if the January agenda will include the hiring of an economic development manager.

City Administrator Ulrich explained that staff hopes to have a strategic planning session with the City Council during the first part of January to confirm strategic direction, staffing, and tasks. He stated that the roles and responsibilities of an economic development staff person is not yet known but remains a top priority.

Member Steffen thanked Chairperson Riley for his many years of service on the EDA.

#### **6. Adjournment**

Motion by Member Skaff, seconded by Member Williams, to adjourn the meeting.

Motion carried. Voting Yes: Chairperson Riley, Members Skaff, Williams, LeTourneau, McGlone, and Steffen. Voting No: None. Absent: Member Wise.

The regular meeting of the Economic Development Authority adjourned at 8:31 a.m.

Respectfully submitted,

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Kurtis G. Ulrich, City Administrator

**ATTEST:**

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Patrick Brama, Management Analyst

Draft by Barbara Hughes (*TimeSaver Off Site Secretarial, Inc.*)

**Economic Development Authority (EDA)**

**4. 1.**

**Meeting Date:** 01/10/2013

Submitted For: Patrick Brama

By: Patrick Brama, Administrative Services

Title:

Election of Officers

Background:

The City's EDA Chair (Chris Riley) and Vice Chair/Treasurer (Wayne Skaff) terms expire on December 31, 2012. The EDA will need to appoint a 2013 Chair and Vice Chair/Treasurer at the January EDA meeting.

**NOTE:**

The EDA is structured to have two appointed Councilmembers. Due to recent elections, Councilmembers Colin McGlone and Jeff Wise are no longer on the EDA. Mayor Strommen will make appointments for the two standing Council EDA positions, to be confirmed by the Council in January (before the January EDA meeting).

With that, the EDA will be short two at-large members. The Council will make appointments for the two vacant at large EDA member seats come April.

Observations:

NA

Funding Source:

NA

Staff Recommendation:

Make a Motion to appoint the 2013 Chair and Vice Chair/Treasurer of the Ramsey Economic Development Authority.

EDA Action:

Motion to appoint XXXXXX as 2013 Chair of the Ramsey Economic Development Authority

Motion to appoint XXXXXX as 2013 Vice Chair/Treasurer of the Ramsey Economic Development Authority

Form Review

**Inbox**  
Kurt Ulrich

**Reviewed By**  
Kurt Ulrich

**Date**

01/03/2013 03:17 PM

Form Started By: Patrick Brama

Started On: 12/28/2012 04:21 PM

Final Approval Date: 01/03/2013

**Meeting Date:** 01/10/2013

Submitted For: Patrick Brama

By: Patrick Brama, Administrative Services

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**Title:**

Discuss Future Land Use Options for the General Business District Node at 167th Avenue and Trunk Highway (TH) 47

**Background:**

The commercial node located at 167th and St. Francis Boulevard (Trunk Highway 47) has been a topic of discussion with past and present City Councils and EDA boards. This node has struggled to become economically viable for some time. The City has conducted a number of studies on this area; and at one point considered funding a master planning effort.

Recently, Staff received a number of inquiries regarding this node. The purpose of this case is to provide an update and take in general guidance from the EDA.

**Observations:**

Recently, Staff received a number of inquires regarding the commercial node at 167th Ave/Hwy 47:

1. The property owner of 6001 167th Ave (former Super Valu Building) is interested is pursuing a zoning change. Said change would expand the ability of the property owners to use this node with the goal of increasing occupancy rates. The requested zoning change will likely include allowance of warehouse and/or light manufacturing uses.
2. Two parties have stepped forward and expressed interest in using 6001 167th Ave (former Super Valu Building). Proposed uses include a metal/clothing recycling center and a gun range.
3. Staff received an inquiry to use the former bank property (5909 167th Ave) as a daycare center.

Based on current zoning regulations, the recycling center and gun range would require a zoning amendment. As it relates to the proposed recycling center, regardless of a change in status of permitted uses, the proposed use would likely fall under a solid waste category (for the metal recycling) and require the issuance of a Conditional Use Permit.

The proposed day care is currently a conditional use and would require a Conditional Use Permit (CUP) without the need for a zoning amendment. CUPs require Planning Commission review and City Council approval. Likewise, a zoning change would require Planning Commission review and City Council approval.

At this point, Staff has received physical information from one potential user (of three total). A case to discuss issuance of a CUP will be brought before the City Council in January.

Attached to this case is previously conducted research and background information, including a reference map (see fact sheet).

**Funding Source:**

At this time, review of potential land uses for this node are being studied as part of regular Staff duties. In the event a Land Use Application is submitted, it is the City's policy that all costs associated with processing said application are the responsibility of the Applicant.

**Staff Recommendation:**

All three recently made inquiries will require Planning Commission review and Council approval. At this point, no official direction or motions are required by the EDA. However, being the viability of this node is a priority of the EDA, Staff would like to provide an opportunity for the EDA to discuss and give general guidance.

OPTIONS:

**1. Provide Support as Needed [STAFF RECOMMENDATION].**

Staff recommends that the EDA remain in a supportive role to the Planning Commission and City Council and monitor the progress of the three potential users that have currently expressed interest in the area. Based on said outcome, the EDA will likely be in a better position to determine if additional involvement shall be necessary. Staff further recommends that the EDA support a zoning amendment if requested by the Property Owner after analysis of compatibility with the surrounding area.

Staff recommends this option because the issuance of a CUP or zoning amendment are functions of the Planning Commission and subsequently the City Council. In the event new users begin occupation and/or the node is rezoned, the level of involvement by the EDA may change in scope; thus allowing EDA staff to focus resources on other projects. Irregardless, Staff is interested in the types of land uses the EDA would find acceptable for the area.

**2. Pro Active Measures; which could include a number of options:**

- Lead Redevelopment (pursue purchase of land, potentially use TIF, consider extension of utilities, etc.)
- Master Planning (formal planning process, visioning, etc.)
- Pursue zoning amendment now

EDA Action:

No action is being requested at this time. This case has been prepared as an update to recent discussions and provide an opportunity for additional feedback.

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Attachments

Buxton One

Retail Market Analysis

TIF

Water Main

Buxton Two

Buxton Three

Buxton Four

Fact Sheet

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Form Review

<b>Inbox</b>	<b>Reviewed By</b>	<b>Date</b>
Tim Gladhill	Tim Gladhill	01/04/2013 02:53 PM
Kurt Ulrich	Kurt Ulrich	01/04/2013 03:47 PM
Form Started By: Patrick Brama		Started On: 01/02/2013
Final Approval Date: 01/04/2013		



**Proposal to Develop:**

**A RETAIL ECONOMIC DEVELOPMENT  
STRATEGY**

**For:  
City of Ramsey, MN**

**From:  
Brandon Norrell**

**April 16, 2008**

**Expiration Date: July 1, 2008**

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- IX. FEES FOR SERVICES
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## I. SUMMARY

CommunityID® is a proven retail development strategy that can be immediately implemented by Ramsey.

Buxton integrated proprietary technical capabilities with more than 500 cumulative years experience in retail management and local economic development to create CommunityID®. This unique strategy has brought both innovation and a disciplined approach to municipal retail development efforts.

During the 60 business days it takes to complete CommunityID®, civic leaders are actively involved in the process and make important decisions that guide the direction and results. The four main phases of the process are:

### **Researching and Verifying Ramsey's Retail Trade Area**

This phase starts with the in-depth collection of the same location variables that Buxton uses to qualify locations for retail clients. Because of Buxton's unique capabilities, we can translate this retail-specific information into market intelligence that community leaders need to attract and grow their retail sectors.

### **Evaluating Ramsey's Retail Potential**

The evaluation phase will clarify what makes Ramsey distinctive and valuable from a retailer's viewpoint. Through daily involvement in retail location analysis, Buxton has acquired the unmatched ability to evaluate a community's retail potential.

### **Matching Retailers and Restaurants to Ramsey's Market Potential**

The consumer profile of Ramsey's trade area will be matched against the customer profiles of over 5,000 retailers and restaurants in Buxton's proprietary database. The final match list is developed with the input of community leaders so that it reflects the needs and desires of the residents.

### **Delivering Ramsey's Marketing Packages**

Individual marketing (pursuit) packages for each retailer match are delivered in both hard copy and in SCOUT®. Our exclusive online marketing system, SCOUT® helps you to showcase your city in the best light. It gives you the ability to create presentations and quality documents and to share information in the match reports.

With CommunityID®, Ramsey can unleash its full retail potential, seize new retail opportunities and expand existing businesses.

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## II. INTRODUCTION TO BUXTON

Since our founding in 1994, Buxton has been a leading force in retail location and development. We are recognized for creating solutions that provide results.

Buxton began as a service to help retailers make informed site selection decisions by understanding their customers and precisely determining their markets. Buxton leaders soon realized that the company's expertise in retail location and market analysis could also be leveraged to benefit communities desiring retail expansion. Please note that in this proposal the term "retail" is inclusive of all retail concepts.

### **CommunityID®**

Designed specifically for use in community economic development programs, Buxton's CommunityID® process has assisted more than 350 public sector clients nationwide, resulting in the development of more than 15 million square feet of retail space. We integrate our impressive technical capabilities with more than 500 cumulative years of retail management and local economic development experience to help municipalities achieve their retail goals.

More than simply providing data, CommunityID® supplies custom marketing materials and strategies targeting the unique location requirements of retailers, developers and commercial real estate brokers. CommunityID® clients achieve outstanding success using our tools for retail identification, selection and recruitment. And our clients benefit from our unique understanding of retail site selection from the retailer's point of view. The combination of technical expertise and professional guidance gives municipalities the capacity to immediately implement an effective retail development program.

### **Benefits of CommunityID®**

With CommunityID® you have immediate access to:

- **Retail Industry Expertise.** Gain a competitive position by working with professionals who have years of retail management experience plus current insights into your community and site selection processes and trends.
- **Community Development Best Practices.** Expand and sharpen your retail development focus by incorporating best practices discovered by Buxton through daily work with municipalities across the nation.
- **Proprietary Systems.** Gather useful information by having Buxton's technology specialists analyze your trade area accessing data stored on Buxton's in-house databases.

- **Personalized Content.** Advance your retail recruitment program by receiving personal guidance from our staff and ongoing insight into key industry topics via our monthly e-newsletter, webcasts and other interactive tools.
- **Long-Term Partnership.** As a Buxton client and partner you have unlimited access to our staff to help optimize your marketing efforts at the International Council of Shopping Centers (ICSC) annual meeting in Las Vegas, NV.
- **Marketing Data and Tools.** Enhance your marketing messages and presentations by using SCOUT®, Buxton's online trade area database and marketing tool, available to you for one year after project delivery.
- **Add-On Research.** Keep your CommunityID® updated and focused by getting special rates on additional research, including retail marketing packages and refreshes of basic information.

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### III. NEEDS/CHALLENGES

Ramsey wants to understand and then capitalize on the retail development opportunities.

As communities increasingly compete for retail dollars, attracting the attention of retailers has become more challenging than ever. Marketing your community plays a dominant role in today's competitive economy. The challenge for the community is to attract retailers and developers by providing trade area information that is complete, accurate and up-to-date.

Using our proprietary methodologies, Buxton will collect and analyze your community's trade area information and give it to you in a format that is easy-to-use and appealing to real estate executives and developers. The best information, however, is useless without a plan for using it. Much more than data collection, Community ID® is an execution strategy that can help you build or revitalize your existing marketing and economic development program.

With Community ID®, you will be prepared to:

- Achieve your retail potential by establishing a long-term partnership with Buxton
- Integrate retail development into your economic development program
- Increase your success by preparing Ramsey to meet the needs of retailers
- Effectively position your community by leveraging your locations' strengths and minimizing weaknesses
- Convey Ramsey's advantages over competitors' advantages
- Establish credibility with retail decision makers
- Maximize time and resources by not pursuing unqualified prospects
- Win the confidence and trust of prospects by understanding their priorities
- Use competitive analysis to close the sale

#### **IV. GOALS AND DESIRED RESULTS**

The primary goal of Community ID® is to prepare Ramsey to successfully expand its retail sector.

Community ID® serves as the framework for developing a sustainable marketing program that not only achieves short-term goals but also endures to ensure the economic viability of the retail sector over the long-term. Such a marketing program will bring the following desired results:

- Residents' desires to shop and dine at home will be fulfilled
- Retail leakage will be minimized
- Tax revenues (property and sale/use taxes) will increase
- Employment opportunities will grow
- Ramsey's ability to capture other economic opportunities will be enhanced

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## V. PROCEDURES/SCOPE OF WORK

Once you have engaged Buxton to work with you in developing Community ID, a project team will be assigned to guide you through the entire process—from initial data collection to final presentation of the results. This team consists of:

- Client services manager, who will serve as your primary source of communication during the project
- Geographic Information System specialist, who will analyze your trade areas and create customized maps and reports
- Professionals with backgrounds as retail executives and economic development practitioners, who will address your unique challenges and help maximize Ramsey's retail opportunities

### Staff Visits

During visits to the community, Buxton's staff is able to make clear and candid assessments of the community's strengths, weaknesses and potential by using the same analytical programs and location matrixes that are used to qualify communities and sites for our retail clients. Our daily involvement with over 1,700 retail and restaurant clients in finding optimal locations keeps us current on retail location trends. This provides a rational and analytical basis for helping Ramsey decide how to best focus resources on the most promising retail opportunities.

### Data Collection

Buxton uses over 250 consumer and business databases that are updated throughout the year, and in some cases, every month. Although it is possible to obtain these databases for less expense on a community or regional basis, Buxton buys and is licensed to use the complete U.S. datasets. With this information Buxton will compare Ramsey's potential location to the universe of all retail locations operating in the U.S.

The following are some of the more well-known sources used in our studies, but there are dozens more that we employ to provide additional insight:

- Mediamark
- Acxiom
- InfoUSA
- Claritas
- National Research Bureau
- Navteq Geographic Data
- Dunn & Bradstreet Business Data

## Identify Market Influencers

All communities have special and often unique features that impact the local retail market and have to be taken into consideration to fully understand the market potential of the community. Such influencers include larger ethnic populations, significant new or expanded developments, military bases, universities and colleges, destination tourist attractions, prisons, medical facilities or major employers.

After identifying these market influencers in your community, Buxton will quantify and qualify their influence on the retail market and help to match retailers that can capitalize on these customer bases.

You will benefit from the project team's expertise and insight in these four areas:

1. Researching and verifying Ramsey's retail trade area
2. Evaluating Ramsey's retail potential
3. Matching retailers and restaurants to Ramsey's market potential
4. Delivering Ramsey's marketing packages

These four major components comprise the Community ID® process. Each component is explained in detail as follows:

### **1. Researching and Verifying Ramsey's Retail Trade Area**

The location decision process for all retailers begins with the collection, analysis and evaluation of numerous location variables such as demand density, customer buying habits, economic trends, competition, traffic volumes, and available sites, to name a few.

The Community ID® process for Ramsey will also start with the in-depth collection of data using the same location variables that we use for our retail clients to qualify sites for the location of their retail stores and restaurants. One goal is to define current retail situations in Ramsey, in the trade area and in any neighboring communities that impact on Ramsey's retail environment. The other goal is to understand the community's expectations and desires. This analysis includes personal visits to the community, collection of data components necessary to conduct the analysis and identification of market influencers.

## Drive-Time Trade Area Definition

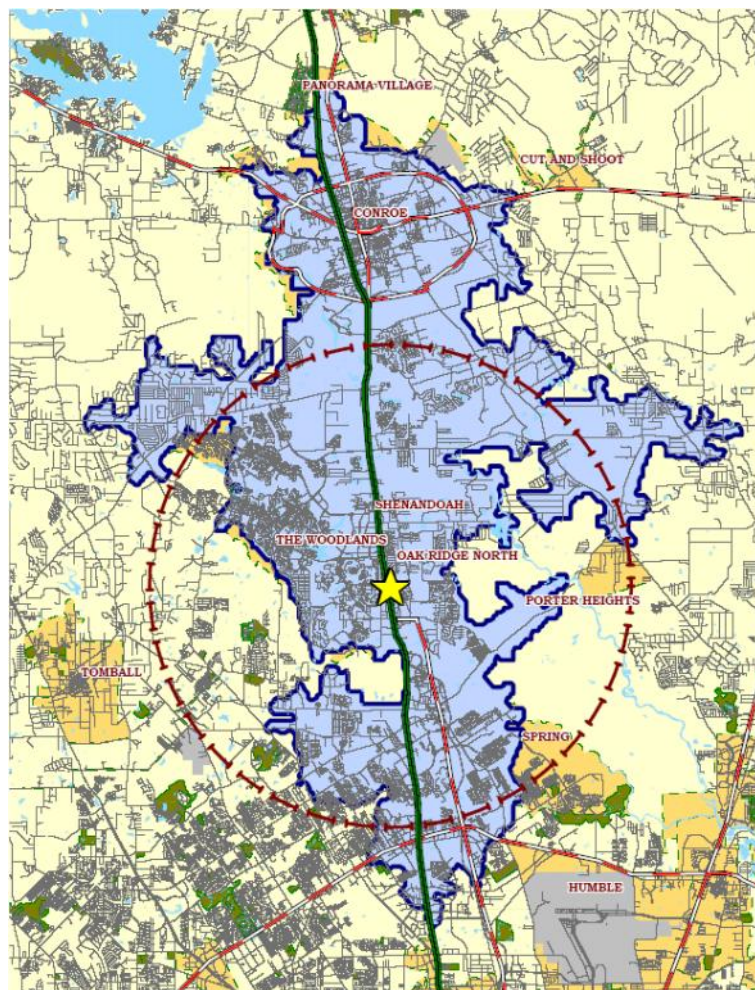
Customers today shop by convenience, measuring distance based on time, not mileage. CommunityID® will employ a custom drive-time analysis to determine Ramsey's trade area. An example of a drive-time trade area is shown in Figure 1.

This custom analysis is developed using an in-house database supported by our knowledge of individual retail client's actual trade areas.

The resulting drive-time trade area map will be a polygon that more accurately depicts consumer shopping patterns than trade rings.

To assure the accuracy of the drive-time trade area, the draft maps are reviewed with community leaders and verified before proceeding with the next step.

Figure 1. Example - Drive-Time Trade Area



## 2. Evaluating Ramsey’s Retail Potential

The purpose of the evaluation phase is to understand what makes Ramsey distinctive and valuable from a retailer’s viewpoint and scrutiny.

Our evaluations capitalize on Buxton’s knowledge about the retail marketplace and the location requirements and expectations of retailers. Combining this knowledge with our economic development competencies allow us to evaluate and recommend proven community practices. Our evaluations do not rely on dated government research or national/state statistics, all of which fail to reflect local realities. Rather, we implement our real-world experience gained from working with municipalities that have opened more than 15 million square feet of new or expanded retail space. We know how to help Ramsey sharpen your retail marketing strategy, aggressively market the city and improve your competitive performance.

### Retail Leakage/Supply Analysis

The Retail Leakage/Supply Analysis provides an estimate of retail dollars flowing in or out of the trade area.

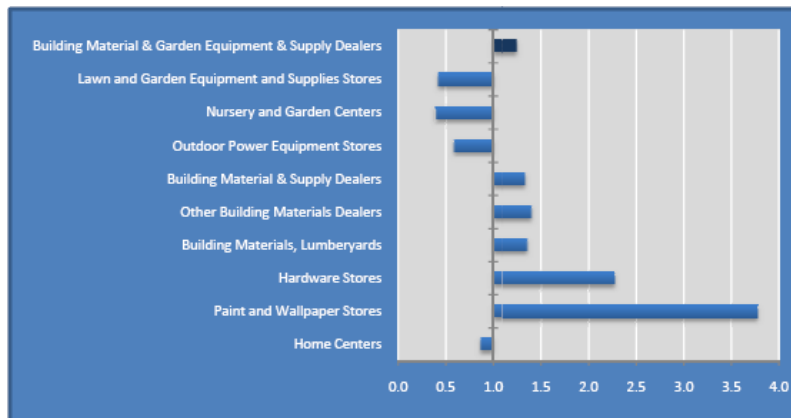
The two main components of this analysis are: 1) current actual sales (supply) by retail store type and products, in dollar amounts, and 2) estimated sales potential (demand) for retail store type and products, in dollar amounts.

We first calculate a sales gap index that illustrates your ability to capture your residents’ expenditures. An example of this index is shown in Figure 2.

The sales gap index provides a relative comparison of leakage/surplus and an estimate of the dollars that are being spent outside the trade area (leakage) and the amount of dollars coming in from outside the trade area (surplus).

This report can be run via SCOUT at any location within the map view.

Figure 2.Example - Sale Gap Index

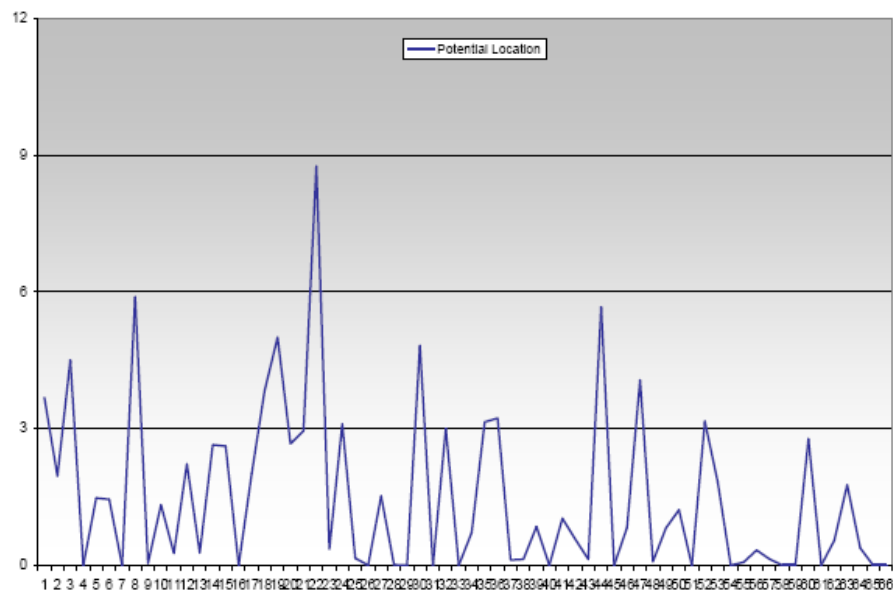


## Customer Profiling

The CommunityID® process will identify and analyze all the households in Ramsey's drive-time trade area. Based on more than 4,500 categories of lifestyles, purchase behaviors and media reading and viewing habits (psychographics), the households in your trade area are assessed to gain an understanding of the types of retailers that would be attracted to your community. Our in-house databases include both traditional demographic data and the most current psychographic lifestyle information for over 120 million households in the United States (as well as up to seven individuals living in each of these households).

Each household in a trade area falls into one of 66 market segments reflecting the buying habits of customers in the household. The blue line in Figure 3 graphically profiles the households in a city's trade area.

Figure 3: Example - Psychographic Profile



### **Retail Site Assessment**

Buxton will analyze up to three (3) distinct retail locations, selected by Ramsey. Based on our collective experience in retail locations, the following factors are considered:

- Psychographic analysis of households in trade area
- Demand for retail goods and services
- Site setting, situation and configuration
- Growth plans and relevant development
- Retail goals of the community

Ramsey to select the retail site to be used for retail matching.

Buxton will develop a demand density profile of Ramsey's trade area. Demand density measures the bottom-line value of the customers in the trade area—who they are, how many there are and what they buy. One of the significant advantages of Buxton is our ability to take the demand density data and to creatively translate it into a proactive market strategy tailored to take advantage of Ramsey's strengths and to achieve its retail goals.

### 3. Matching Retailers and Restaurants to Ramsey’s Market Potential

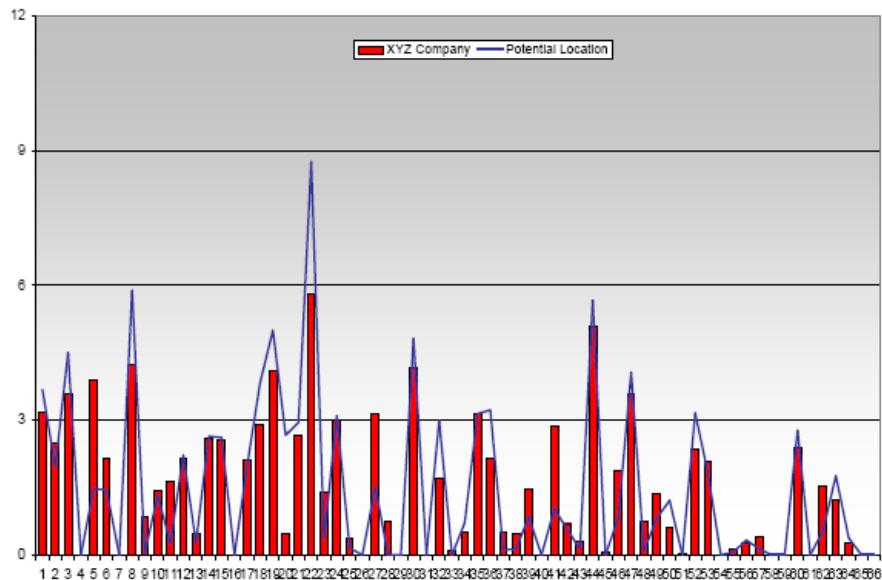
Once the site for retail matching has been selected and the consumer profiles in Ramsey’s trade area have been determined, the Community ID® process will match these profiles against the customer profiles of 5,000 + retailers in our proprietary database.

In Figure 4, the blue line indicates the customer profile of households in a community’s trade area. The red line represents a specific retailer’s customer profile. A similarity between the two profiles as shown in Figure 4 analyzed using Buxton’s proprietary retail matching algorithm concludes that this site is an opportunity for a specific retailer to open a successful store.

This matching results in a list of possible retailers. To develop the preliminary retail match list, Buxton analyzes a number of factors about each possible retailer to qualify it. This analysis is designed to eliminate those retailers that for any reason would not be a candidate for Ramsey. Considered in this analysis are such factors as, verification of a retailer currently operating or expanding into your market, location of operations in similar cities, and competition and cannibalization from nearby locations.

Once this analysis is complete, the preliminary list of retailers will be discussed and reviewed with Ramsey. Based on the selections by the sponsor, a final list of up to twenty (20) retailers will be created for the development of marketing (pursuit) packages.

Figure 4: Example - Trade Area Consumers Matched with Retailer Customer Profile



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#### 4. Delivering Ramsey's Marketing Packages

Buxton will assemble individualized marketing (pursuit) packages for each targeted retailer. At Ramsey's request, Buxton will customize each marketing package for presentation to individual retailers, developers, real estate brokers or potential franchisees. Because it is tailored to the specific needs of the target audience, each marketing package is ready to use as collateral marketing materials providing compelling and precise information that demonstrates Ramsey's qualifications as a location.

Each marketing package contains:

1. Map of the retail site and trade area
2. Map of retailer's potential customers
3. Retailer match report that compares the site's trade area characteristics with the retailer's locations in similar trade areas
4. Demographic and psychographic profiles of the households in the trade area
5. Contact information for the person at the retailer who has location decision responsibilities

CommunityID® targets not only specific companies but also the individual in the company who has the responsibility for location decisions. To provide the best possible reception when Ramsey contacts the targeted retailer, Buxton notifies each company that Ramsey has been qualified by Buxton as a potential viable location for a store, restaurant or development and should expect to be contacted by a representative of the city.

Figure 5: Example - Retail Match Report (Retail Match Report summarizes a city's location advantages for a specific retailer).

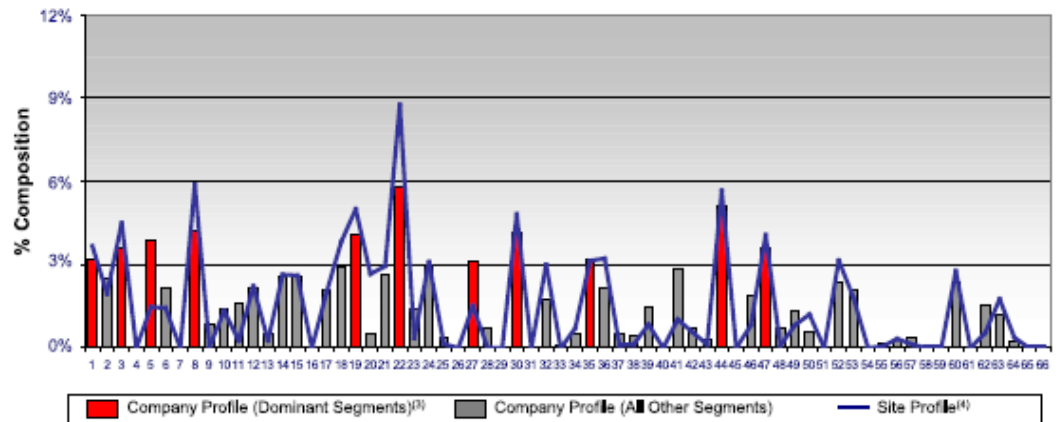


## CommunityID®

## Retailer Match Report

Company: XYZ Company	Site: State Highway 384 & Grice Road
Report Date: 4/15/2005	Your Community, USA

### Segmentation Profile<sup>(1)</sup> (15 Minute Drive Time)<sup>(2)</sup>



### Trade Area Comparison (15 Minute Drive Time)

	XYZ Company Average Trade Area <sup>(3)</sup>	Your Community, USA Site Trade Area	
		2003 Estimated	2008 Projected
Total Population	43,925	44,596	47,311
Total Households	17,278	17,817	18,903
Retailer Dominant Segment Households	9,772	12,870	13,612
Daytime (Workday) Population <sup>(4)</sup>	19,170	27,160	29,827

- <sup>(1)</sup> Segmentation Profile
- <sup>(2)</sup> Drive Time
- <sup>(3)</sup> Dominant Segments
- <sup>(4)</sup> Site Profile
- <sup>(5)</sup> Average Trade Area
- <sup>(6)</sup> Daytime Population

Every U.S. household is classified into one of 66 distinct segments described by that household's lifestyle and spending habits. Drive time is used to define the trade area. Any segment that makes up at least three percent of a retailer's targeted profile (RED BARS). Those segments within the site's drive time trade area (BLUE LINE). XYZ Company trade areas used in this comparison are similar in population and market type to Your Community, USA. The number of persons employed in the drive time trade area.

Data Sources: Census Bureau, PWTDB, Inc., © 2005, InfoUSA, Inc., © 2005, National Research Bureau, © 2005, Metanack Research, Inc., © 2005, Geographic Data Technology, Inc., © 2005

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## DELIVERABLES

CommunityID® deliverables will be presented to Ramsey in two bound hard copies and in SCOUT®, an electronic format (described below).

SCOUT® is an online marketing system that will allow you to effectively use CommunityID® by enabling you to showcase your best retail site to achieve maximum results. You can access CommunityID® reports via SCOUT® to reproduce maps, site-specific data and generate your own custom marketing presentations.

With SCOUT® you are directly tied to Ramsey password protected data, maintained and updated in Buxton's databanks. Using your computer you can tailor reports and presentations and immediately respond to questions or information requests from retailers or developers. SCOUT® allows you to:

- Graphically display and count the households that appeal to specific target retailers
- Manage all your retail-specific data, from maps to photos to zoning information, in a central location
- Merge your community's existing marketing materials with CommunityID®
- Select the information that best makes your case
- Store and retrieve information on retail buildings and sites
- Organize all relevant retail information in a central data center
- Present all materials electronically to recruit retailers and developers

Deliverables include the following:

- Drive Time Trade Area Map
- Retail Site Assessment – includes Retail Leakage/Supply Analysis and Customer Profile
- Retail Match List
- Final Report and Marketing (Pursuit) Packages
- An electronic presentation highlighting the CommunityID® process and findings will be a part of the deliverables. It is designed for local presentations to chambers of commerce, civic clubs and other groups interested in the retail development of Ramsey.

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## VI. PROJECT TEAM

Team members for your project will include Buxton personnel with strong retail and economic development backgrounds as well those from operations: the Territory Business Manager, appropriate Senior Vice President and Client Services representative.



**Brandon Norrell**

Territory Business Manager  
CommunityID® Division

As a CommunityID® territory business manager, Brandon works with municipalities in their retail economic development efforts. By understanding what retailers need to make site selection decisions, Brandon enables community leaders to understand and “speak retail.” Brandon brings a strong knowledge of the CommunityID® retail economic development strategy and a solid background in client service to his position. Brandon received his B.S. degree from the University of Minnesota and his M.B.A. from the University of St. Thomas. Brandon is a member of the International Council of Shopping Centers (ICSC).



**Joseph Fackel**

Senior Vice President,  
CommunityID® Division, Northern Region  
Buxton

Joe has been a trusted advisor to nearly one hundred public and private sector entities across the United States on issues related to economic development and retail recruitment strategy. Recognized as a leader in this field, Joe has been a featured presenter at numerous conferences throughout the industry, including the National League of Cities, the International City/County Management Association, Texas Municipal League, the Northeast Economic Development Association and the International Downtown Association. Joe received his B.A. degree from the University of Missouri and is a member of the International Council of Shopping Centers (ICSC).



**Philip Davis**

Manager/Senior GIS Analyst  
CommunityID® Division

As senior analyst for the Community ID® division, Philip oversees every aspect of Community ID® projects in Buxton's GIS department. His duties include supervising daily operations, working with clients, managing projects and serving as a liaison between analysts and the sales team. Philip has managed the GIS function for more than 350 Community ID® projects for such clients as San Jose, CA; Atlanta, GA.; and Birmingham, AL. Working on projects for two divisions in the company has given Philip a complete understanding of both the retail industry and municipal needs, adding to his expertise in community retail recruitment. Philip graduated from the University of North Texas with a degree in Geography.



**Bill R. Shelton, CEcD**

Partner  
CommunityID® Division

Bill is a founding partner of Community ID®, Buxton's retail development program for communities. For more than 20 years, Bill worked for the Fort Worth Chamber of Commerce, serving 16 years as its president. He is a Certified Economic Developer and is past chair of the American Economic Development Council. A founding member of the Texas Economic Development Council, he has served as the organization's president. Bill was honored with a lifetime membership to the International Economic Development Council. Bill's professional service also includes serving as dean of the Basic Economic Development Course at Texas A&M University. Bill holds a bachelor's degree in marketing from the University of Texas at Austin, and he completed post-graduate studies at Texas A&M University.



**Harvey H. Yamagata**

Chief Marketing Officer & President  
CommunityID® Division

Clients benefit from the expertise Harvey has gained during 35 years in retail, including leadership roles in brick and mortar, catalog and website retailing. His 20-year career at Tandy Corporation covered the time when the company grew from \$350 million to \$3.5 billion in sales and took him from retailing in Europe to opening distributors in Asia. He headed the marketing efforts of the RadioShack Business Products division at a time when they held the major share in the burgeoning personal computer market. Harvey received a bachelor's degree from the University of Wisconsin and a master of business administration degree from Texas Christian University.

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## VII. PROJECT REQUIREMENTS

To effectively initiate this project, we request that you provide the following:

### 1. Project Liaison

- Ramsey will designate a project manager who will serve as Buxton's primary contact during the project.

### 2. Community Information and Reports

- City logo (vector file – request your ad agency and/or printer)
- Addresses and descriptive information for up to three sites that will be evaluated
- Current traffic count data
- List of planned retail, commercial or mixed use (either proposed or in development) in the community
- List of major, national or regional retailers that have closed, left or moved from the community
- General community marketing materials, data and economic reports

### Project Launch

A conference call with representatives of Ramsey and the Buxton Project Team will officially launch the project. The project launch will occur when:

1. An agreement is executed
2. The initial payment is received, and
3. The Community Information and Reports are received

## VIII. TIMELINE

The following timeline is sequential and cumulative. It starts on the day of the project launch conference call.

Business Days	Client Responsibilities	Buxton Responsibilities
Start	Provide to Buxton all necessary community information.	
Day 1	Participate in the launch call.	Participate in the launch call.
Day 6		Trade Area Map ships.
Day 13	Approve Trade Area Map.	
Day 18		Retail Site Assessment ships.
Day 25	Approve Retail Site Assessment and submit selection of site for retail matching.	
Day 40		Retail Match List ships.
Day 50	Submit selections of all retail matches to be included in the Final Report and Retail Marketing Packages.	
Day 60		Final Report and Retail Marketing Packages ship.

By adhering to this timeline, the CommunityID<sup>®</sup> deliverables (Retail Match Reports – both the hard-copy and SCOUT<sup>®</sup>, the electronic version) will be sent on or before 60-days after the launch date.

Any missed target dates can delay the final delivery date. If there are extenuating circumstances that prevent target dates from being met, a new timeline will be developed.

Delays of more than 45 days in timeline schedule by the community will result in an administrative fee of five percent (5%) of the contract price to be charged.

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## IX. FEE FOR SERVICES

The Cost of Community ID® is \$70,000; payable as follows:

1. \$35,000 due upon execution of this agreement
2. \$25,000 due upon delivery of retail site assessment
3. \$10,000 due upon delivery of retail marketing packages

Hard copies of all Community ID® deliverables including marketing packages will be provided.

SCOUT® will be delivered for one-year with this agreement and includes the following:

1. Waived - Monthly maintenance fee of \$1,000 per month
2. Waived - Set Up fee of \$3,000
3. Two Marketing (Pursuit) Packages at no cost

After the first year SCOUT® will be available for a \$1,000 per month maintenance fee that is not included in this agreement.

Direct travel costs will be charged for any pre-arranged, mutually agreed upon travel associated with the project. This does not include travel associated with the presentation or negotiation of this agreement.

For services specifically requested by Ramsey and performed by Buxton outside the scope of this agreement, an hourly rate of \$200 will apply.

### **Additional Research Services (post analysis)**

Marketing (Pursuit) Packages (Match reports for additional specific retailers)  
- Includes two bound hard copies and an electronic version \$2,000

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## X. SIGNATURE PAGE

This agreement is between Ramsey and Buxton (the “Parties”) for the performance of services described in this proposal. The Parties agree that an independent contractor/employer relationship is created as a result of this agreement. Buxton will not be considered an agent or employee of Ramsey for any purpose.

The term of this agreement is one (1) year. This agreement may be terminated by Ramsey at any time upon written notice of thirty (30) days. If this agreement is terminated, Buxton will be paid for services performed up to the date the written notice is received.

This agreement shall be administered and interpreted under the laws of the State of Texas. In order to avoid paying State of Texas Sales and Use Tax, Ramsey may be required to provide Buxton with a certificate indicating it is a non -profit corporation and not subject to Texas Sales and Use Tax.

Agreed and accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

Amber Miller  
Community Development Director  
City of Ramsey  
7550 Sunwood Dr NW  
Ramsey, MN 55303

David Glover  
Chief Financial Officer  
Buxton  
2651 S. Polaris Drive  
Fort Worth, TX 76137

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Signature)

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## XI. ENDORSEMENTS/REFERENCES

Buxton prides itself on exceptional client service that results in ongoing client satisfaction. Following are just a few of many endorsements from Community ID® clients.



## **Community/ID References**

### **City of Albertville, AL**

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## **Population 10,000 and below**

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### **Village of Broadview, IL**

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### **City of Covington, TN**

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### **Lawrence County, AL**

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## **Population 10,000 – 30,000**

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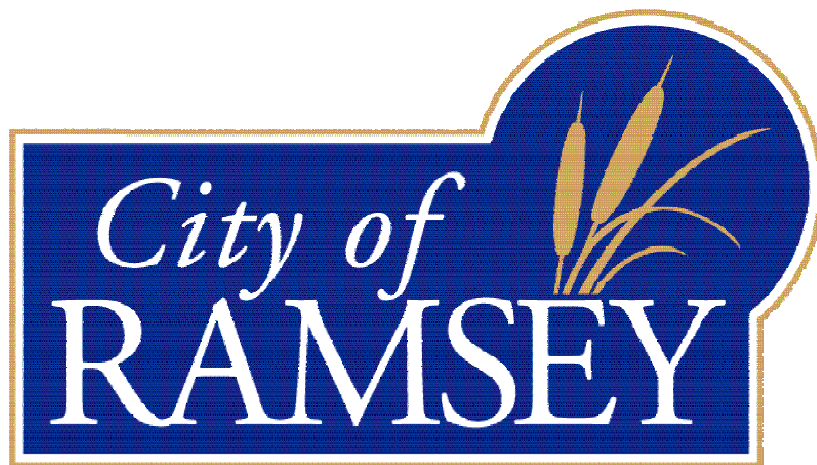
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**Retail Site  
Assessment**  
August 2008



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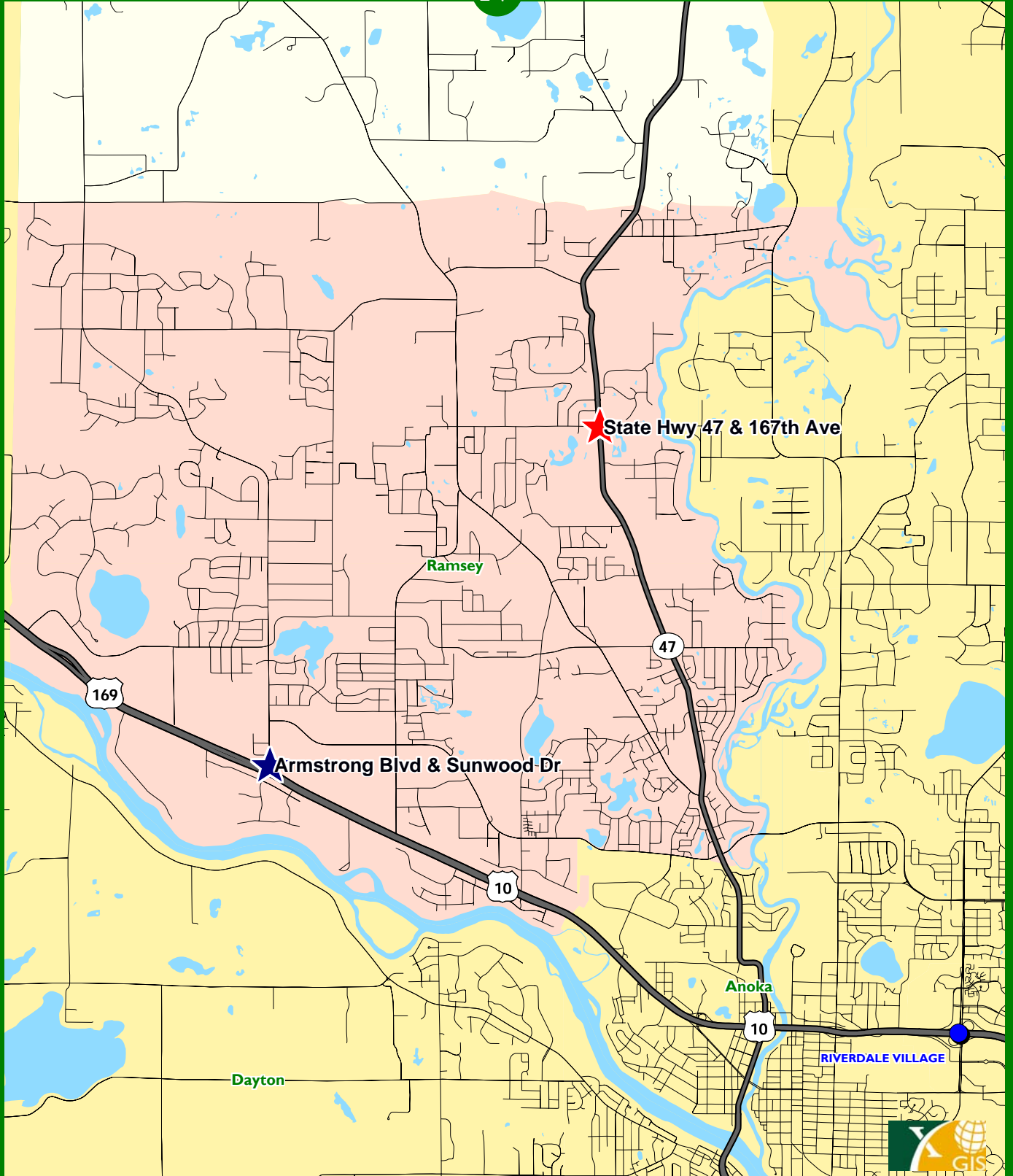
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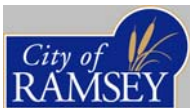
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# Ramsey, Minnesota: Overview



### Shopping Centers

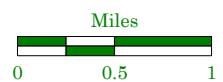
GLA in thousands



City Limits

Site 1

Site 2



## Ramsey's Retail Sites

To begin the CommunityID process, the City of Ramsey selected two sites to be analyzed for possible retail development or revitalization. The locations of both sites are shown on the opposite page.

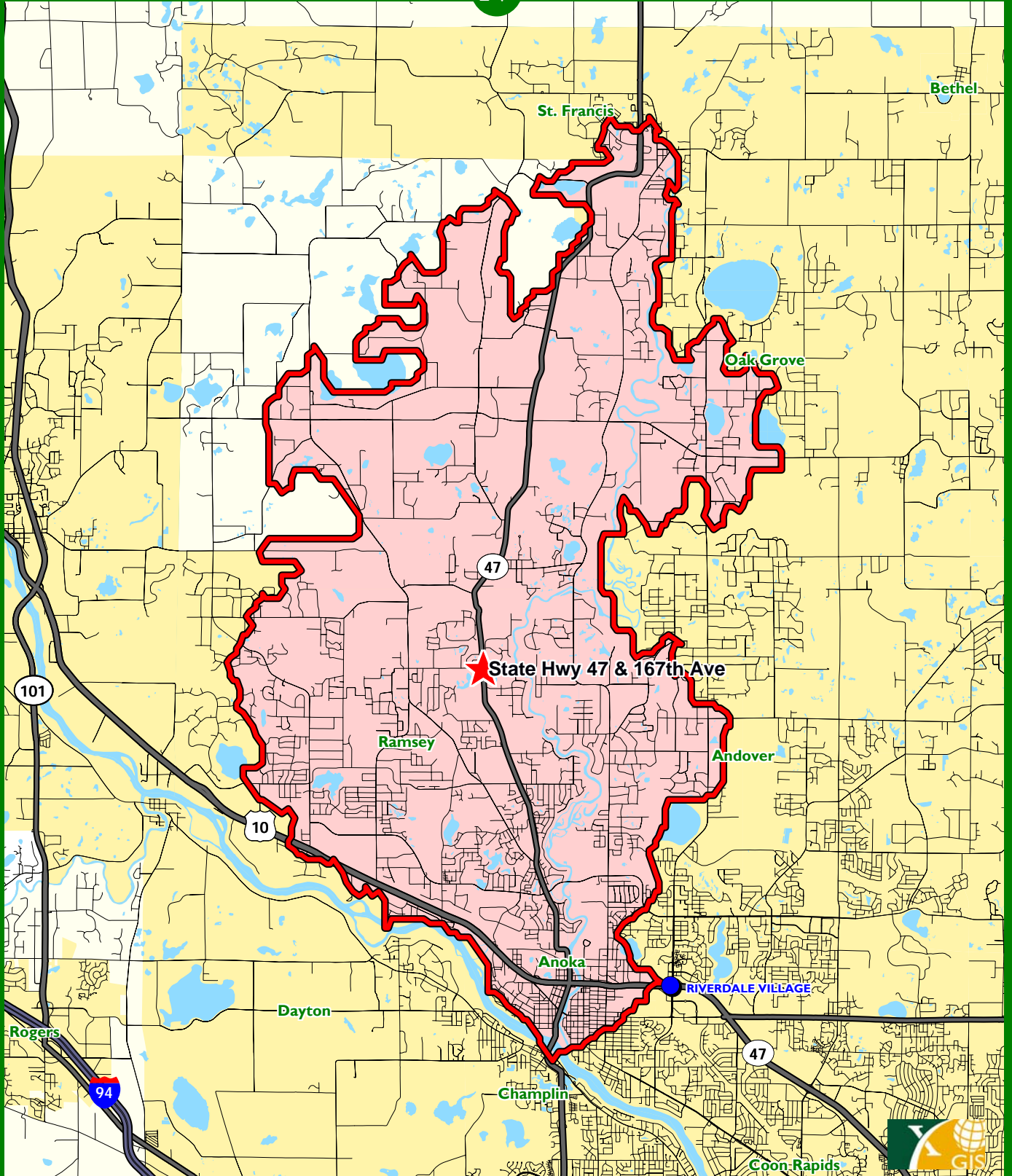
To aid in the retail recruitment process, Buxton has analyzed the retail potential of the each site based on the following analyses:

- A primary twelve-minute drive-time trade area was delineated for each site
- The customers in each trade area were segmented according to buying habits and lifestyles
- A profile of Ramsey's customers within each trade area was developed
- The surplus and leakage for more than 36 product types and 74 store types was determined for each potential trade area

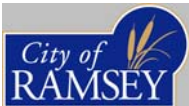
The purpose of these analyses is to develop Ramsey's Customer Profile. The Customer Profile is a snapshot of the customers that reside in Ramsey's trade area. Even though these consumers are complex and diverse, Buxton is able to capture and catalogue the extent to which potential demand for a retailer's goods and services are being met within the trade area.

By overlaying Ramsey's Customer Profile with over 4,500 retail matching profiles in Buxton's proprietary database, we are able to identify major categories of retail that are candidates for location in Ramsey. This matching provides the basis for determining Ramsey's viability to attract retailers and restaurants and forms the basis for Buxton's recommendations and conclusions.

With this analysis and Buxton's recommendations, Ramsey can make a more informed decision about investments in infrastructure and can focus resources on areas of higher retail development potential.



# Ramsey, Minnesota: Trade Area



### Shopping Centers

GLA in thousands



1000+



500 to 1000

 12 Minute Drive Time

 Site I

Miles



## Site I Analysis: State Hwy 47 & 167<sup>th</sup> Ave

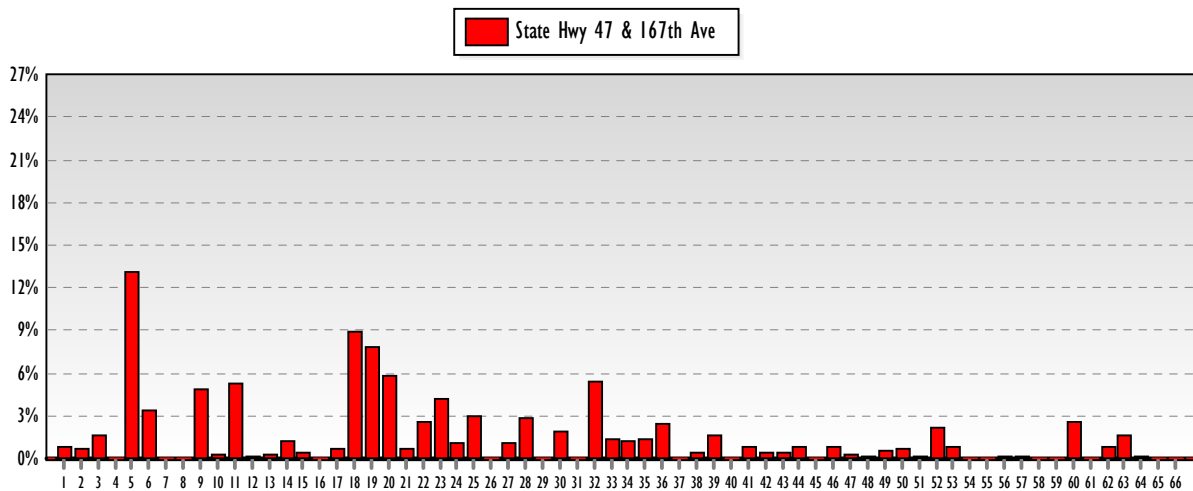
### Drive-Time Trade Area

The map on the opposite page depicts the primary trade area for Site I. The primary trade area consists of a twelve-minute polygon, determined by Buxton's proprietary drive-time technology.

### Psychographics

The psychographic profile of the households within a twelve-minute drive-time of Site I is presented below.

### Trade Area Segmentation



Source: Claritas, Inc. PRIZM<sup>®</sup> NE, © 2008

### Dominant Segments

A segment that represents at least three percent of a trade area is a dominant segment. Following is a description of the dominant segments for Site I.

Dominant Segments	Description	Households	% of All Households
5	COUNTRY SQUIRES	1,937	13.15%
6	WINNER'S CIRCLE	500	3.39%
9	BIG FISH, SMALL POND	721	4.89%
11	GOD'S COUNTRY	771	5.23%
18	KIDS & CUL-DE-SACS	1,310	8.89%
19	HOME SWEET HOME	1,148	7.79%
20	FAST-TRACK FAMILIES	853	5.79%
23	GREENBELT SPORTS	614	4.17%
25	COUNTRY CASUALS	445	3.02%
32	NEW HOMESTEADERS	793	5.38%

Source: Claritas, Inc. PRIZM<sup>®</sup> NE, © 2008

## Site I Analysis (continued)

### Leakage Analysis

The following table represents an overview by store type of the leakage or surplus within the studied trade area. This is represented by an index with 1.0 being the baseline. A leakage is reflected by an index less than 1.0 and a surplus is reflected by an index greater than 1.0. Please see Appendix A for detailed demand and actual sales by category.



\*GAFO refers to discount retailers that typically include the following departments: general merchandise; clothing and clothing accessories; furniture and home furnishings; electronics and appliances; sporting goods, hobby, books and music; and office supplies

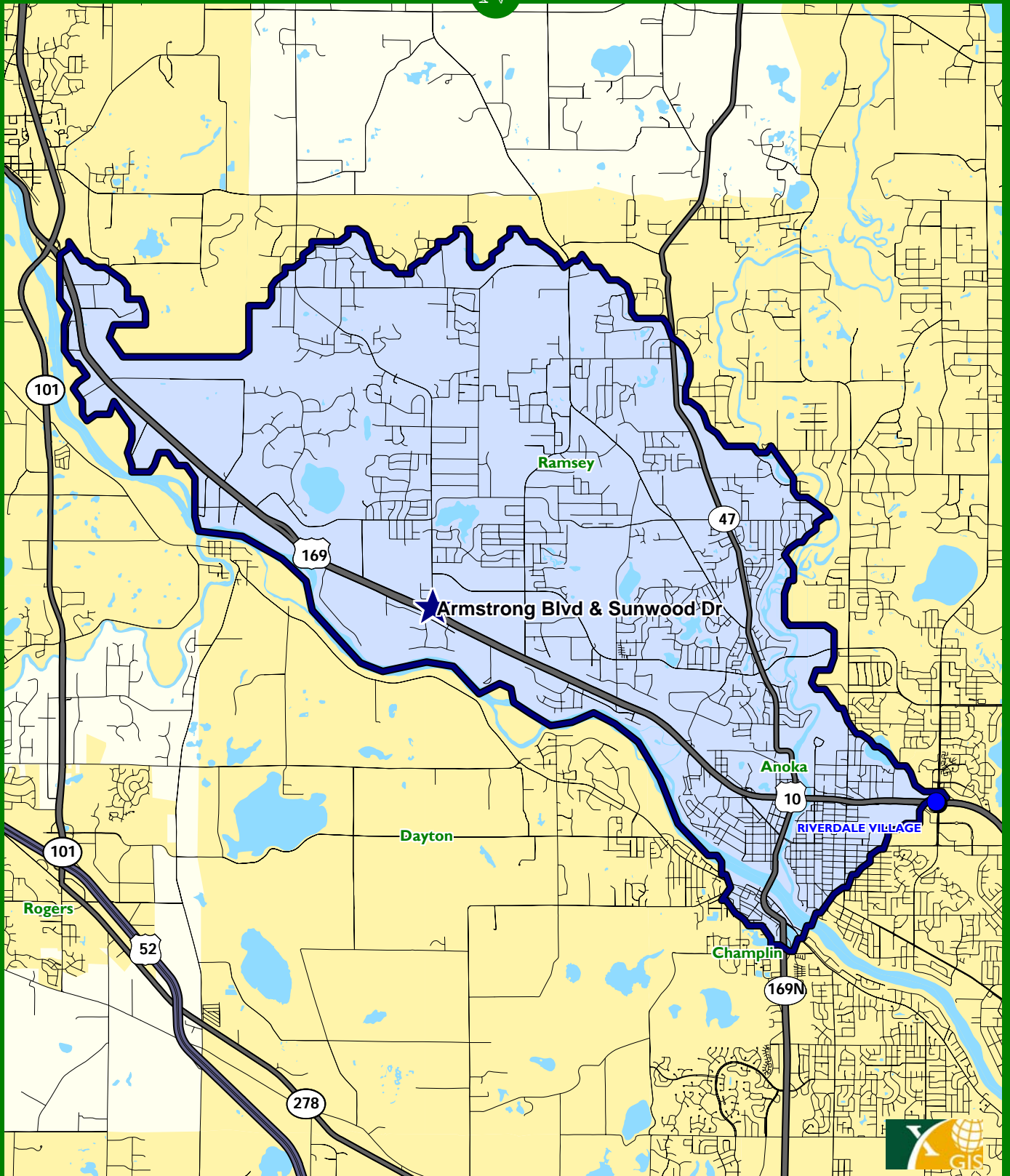
Source: Claritas, Inc, RETAIL MARKET POWER, © 2008

The following table presents the trade potential variables for Site I:

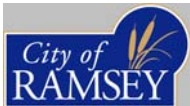
Trade Potential Variables	Site I
Estimated Household Count	14,733
Number of Households in Dominant Segments	9,092
Traffic Count	9,600
Total Demand	\$754,662,615
Total Supply	\$562,622,535
Leakage/Surplus	<b>(\$192,040,080)</b>

Source: Claritas, Inc, RETAIL MARKET POWER, PRIZM® NE, © 2008





# Ramsey, Minnesota: Trade Area



### Shopping Centers

GLA in thousands

1000+

500 to 1000

12 Minute Drive Time

★ Site 2

Miles



0 1 2



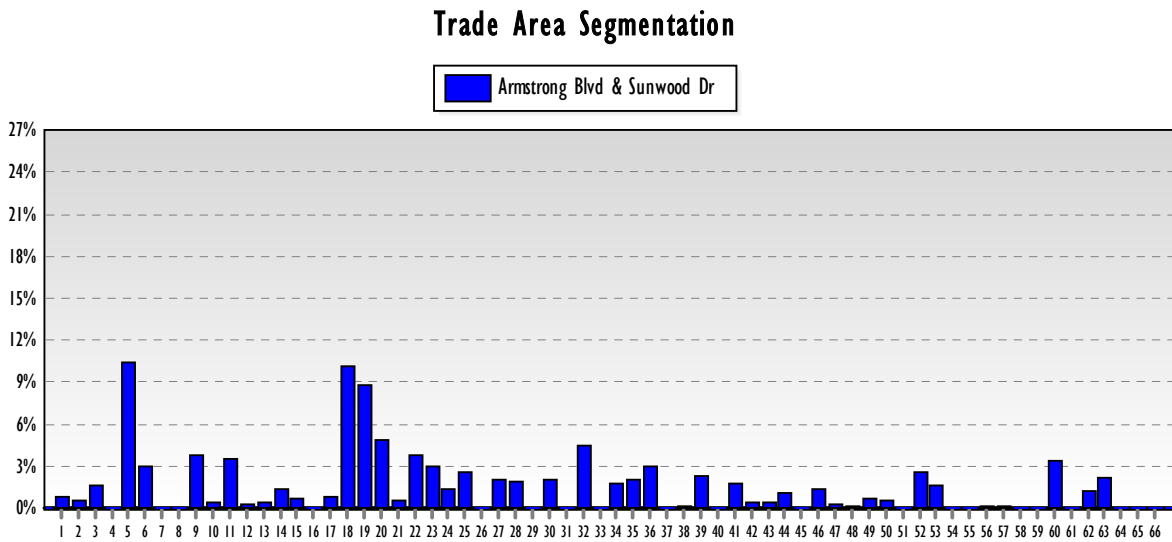
## Site 2 Analysis: Armstrong Blvd & Sunwood Dr

### Drive-Time Trade Area

The map on the opposite page depicts the primary trade area for Site 2. The primary trade area consists of a twelve-minute polygon, determined by Buxton's proprietary drive-time technology.

### Psychographics

The psychographic profile of the households within a twelve -minute drive-time of Site 2 is presented below.



Source: Claritas, Inc, PRIZM® NE, © 2008

### Dominant Segments

A segment that represents at least three percent of a trade area is a dominant segment. Following is a description of the dominant segments for Site 2.

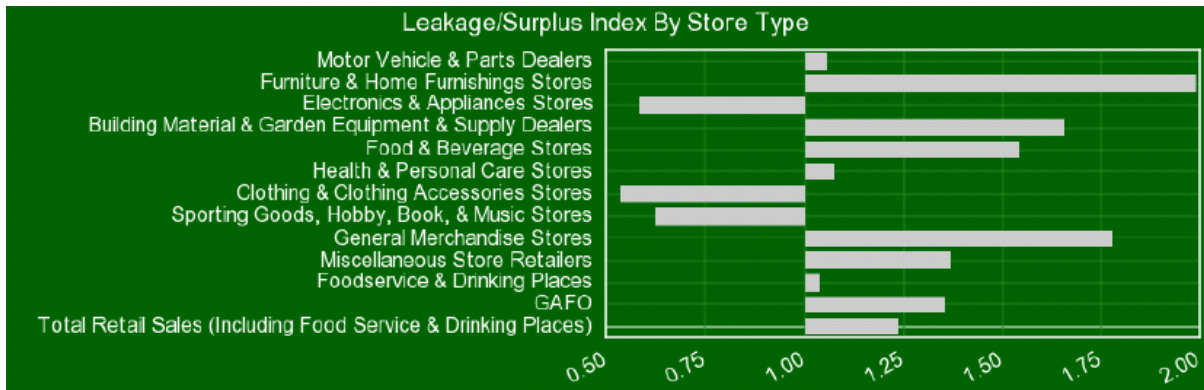
Dominant Segments	Description	Households	% of All Households
5	COUNTRY SQUIRES	1,410	10.40%
6	WINNER'S CIRCLE	409	3.02%
9	BIG FISH, SMALL POND	506	3.73%
11	GOD'S COUNTRY	484	3.57%
18	KIDS & CUL-DE-SACS	1,382	10.20%
19	HOME SWEET HOME	1,182	8.72%
20	FAST-TRACK FAMILIES	666	4.91%
22	YOUNG INFLUENTIALS	514	3.79%
32	NEW HOMESTEADERS	598	4.41%
60	PARK BENCH SENIORS	464	3.42%

Source: Claritas, Inc, PRIZM® NE, © 2008

## Site 2 Analysis (continued)

### Leakage Analysis

The following table represents an overview by store type of the leakage or surplus within the studied trade area. This is represented by an index with 1.0 being the baseline. A leakage is reflected by an index less than 1.0 and a surplus is reflected by an index greater than 1.0. Please see Appendix A for detailed demand and actual sales by category.



\*GAF0 refers to discount retailers that typically include the following departments: general merchandise; clothing and clothing accessories; furniture and home furnishings; electronics and appliances; sporting goods, hobby, books and music; and office supplies

Source: Claritas, Inc, RETAIL MARKET POWER, © 2008

The following table presents the trade potential variables for Site 2:

Trade Potential Variables	Site 2
Estimated Household Count	13,554
Number of Households in Dominant Segments	7,615
Traffic Count	39,000
Total Demand	\$1,263,042,337
Total Supply	\$1,561,717,215
Leakage/Surplus	<b>\$298,674,878</b>

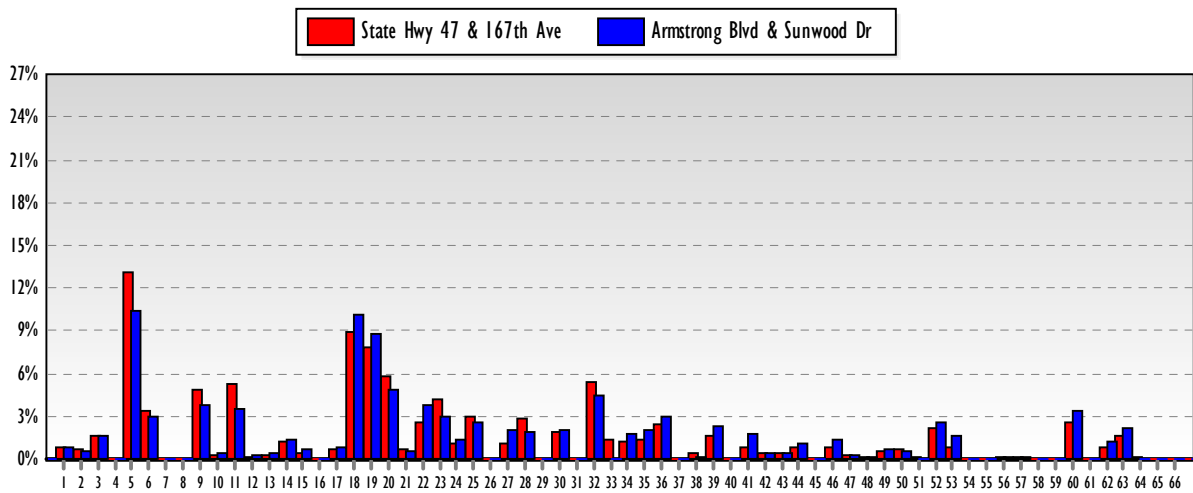
Source: Claritas, Inc, RETAIL MARKET POWER, PRIZM® NE, © 2008

## Site Comparison

### Trade Area Segmentation

This side by side comparison of the two trade areas shows the compositions and characteristics of the households to be very similar. This is not unusual and can be expected in an area with potential sites in close proximity. Both trade areas have the same segmentation, but some segments are dominant in one trade area, and not the other.

### Trade Area Comparison



Source: Claritas, Inc. PRIZM® NE, © 2008

### 12- Minute Trade Area Statistics

Trade Potential Variables	Site 1	Site 2
Estimated Household Count	14,733	13,554
Number of Households in Dominant	9,092	7,615
Traffic Count	9,600	39,000
Total Demand	\$754,662,615	\$1,263,042,337
Actual Sales	\$562,622,535	\$1,561,717,215
Leakage/Surplus Total	(\$192,040,080)	\$298,674,878

Source: Claritas, Inc. RETAIL MARKET POWER, PRIZM® NE, © 2008

## Brief Segment Descriptions

- 1 UPPER CRUST – The nation’s most exclusive address, Upper Crust is the wealthiest lifestyle in America—a haven for empty-nesting couples over 55 years old. No segment has a higher concentration of residents earning over \$200,000 a year or possessing a postgraduate degree, and none has a more opulent standard of living.
- 2 BLUE BLOOD ESTATES – Blue Blood Estates is a family portrait of suburban wealth, a place of million-dollar homes and manicured lawns, high-end cars and exclusive private clubs. The nation’s second-wealthiest lifestyle, it is characterized by married couples with children, college degrees, a significant percentage of Asian Americans and six-figure incomes earned by business executives, managers and professionals.
- 3 MOVERS & SHAKERS – Movers & Shakers is home to America’s up-and-coming business class: a wealthy suburban world of dual-income couples who are highly educated, typically between the ages of 35 and 54, often with children. Given its high percentage of executives and white-collar professionals, there is a decided business bent to this segment: Movers & Shakers rank number one for owning a small business and having a home office.
- 4 YOUNG DIGERATI – Young Digerati are the nation’s tech-savvy singles and couples living in fashionable neighborhoods on the urban fringe. Affluent, highly educated and ethnically mixed, Young Digerati communities are typically filled with trendy apartments and condos, fitness clubs and clothing boutiques, casual restaurants and all types of bars—from juice to coffee to microbrew.
- 5 COUNTRY SQUIRES – The wealthiest residents in exurban America live in Country Squires, an oasis for affluent Baby Boomers who have fled the city for the charms of small-town living. In their bucolic communities noted for their recently built homes on sprawling properties, the families of executives live in six-figure comfort. Country Squires enjoy country club sports like golf, tennis and swimming as well as skiing, boating and biking.
- 6 WINNER’S CIRCLE – Among the wealthy suburban lifestyles, Winner’s Circle is the youngest, a collection of mostly 25- to 34-year-old couples with large families in new-money subdivisions. Surrounding their homes are the signs of upscale living: recreational parks, golf courses and upscale malls. With a median income of nearly \$90,000, Winner’s Circle residents are big spenders who like to travel, ski, go out to eat, shop at clothing boutiques and take in a show.
- 7 MONEY & BRAINS – The residents of Money & Brains seem to have it all: high incomes, advanced degrees and sophisticated tastes to match their credentials. Many of these city dwellers—predominantly white with a high concentration of Asian Americans—are married couples with few children who live in fashionable homes on small, manicured lots.

## Brief Segment Descriptions

- 8 EXECUTIVE SUITES – Executive Suites consists of upper-middle-class singles and couples typically living just beyond the nation’s beltways. Filled with significant numbers of Asian Americans and college graduates—both groups are represented at more than twice the national average—this segment is a haven for white-collar professionals drawn to comfortable homes and apartments within a manageable commute to downtown jobs, restaurants and entertainment.
- 9 BIG FISH, SMALL POND – Older, upper-class, college-educated professionals, the members of Big Fish, Small Pond are often among the leading citizens of their small-town communities. These upscale, empty-nesting couples enjoy the trappings of success, belonging to country clubs, maintaining large investment portfolios and spending freely on computer technology.
- 10 SECOND CITY ELITE – There’s money to be found in the nation’s smaller cities, and you’re most likely to find it in Second City Elite. The residents of these satellite cities tend to be prosperous executives who decorate their \$200,000 homes with multiple computers, large-screen TV sets and an impressive collection of wines. With more than half holding college degrees, Second City Elite residents enjoy cultural activities—from reading books to attending theater and dance productions.
- 11 GOD’S COUNTRY – When city dwellers and suburbanites began moving to the country in the 1970’s, God’s Country emerged as the most affluent of the nation’s exurban lifestyles. Today, wealthier communities exist in the hinterlands, but God’s Country remains a haven for upper-income couples in spacious homes. Typically college-educated Baby Boomers, these Americans try to maintain a balanced lifestyle between high-power jobs and laid-back leisure.
- 12 BRITE LITES, LI’L CITY – Not all of the America’s chic sophisticates live in major metros. Brite Lights, Li’l City is a group of well-off, middle-aged couples settled in the nation’s satellite cities. Residents of these typical double income, no kids households have college educations, well-paying business and professional careers and swank homes filled with the latest technology.
- 13 UPWARD BOUND – More than any other segment, Upward Bound appears to be the home of those legendary Soccer Moms and Dads. In these small satellite cities, upper-class families boast dual incomes, college degrees and new split-levels and colonials. Residents of Upward Bound tend to be kid-obsessed, with heavy purchases of computers, action figures, dolls, board games, bicycles and camping equipment.
- 14 NEW EMPTY NESTS – With their grown-up children recently out of the house, New Empty Nests is composed of upscale older Americans who pursue active—and activist—lifestyles. Nearly three-quarters of residents are over 65 years old, but they show no interest in a rest-home retirement. This is the top-ranked segment for all-inclusive travel packages; the favorite destination is Italy.

## Brief Segment Descriptions

- 15 **POOLS & PATIOS** – Formed during the postwar Baby Boom, Pools & Patios has evolved from a segment of young suburban families to one for mature, empty-nesting couples. In these stable neighborhoods graced with backyard pools and patios—the highest proportion of homes were built in the 1960’s—residents work as white-collar managers and professionals, and are now at the top of their careers.
- 16 **BOHEMIAN MIX** – A collection of young, mobile urbanites, Bohemian Mix represents the nation’s most liberal lifestyles. Its residents are a progressive mix of young singles and couples, students and professionals, Hispanics, Asians, African-Americans and whites. In their funky row houses and apartments, Bohemian Mixers are the early adopters who are quick to check out the latest movie, nightclub, laptop and microbrew.
- 17 **BELTWAY BOOMERS** – The members of the postwar Baby Boom are all grown up. Today, these Americans are in their forties and fifties, and one segment of this huge cohort—college-educated, upper-middle-class and home-owning—is found in Beltway Boomers. Like many of their peers who married late, these Boomers are still raising children in comfortable suburban subdivisions, and they’re pursuing kid-centered lifestyles.
- 18 **KIDS & CUL-DE-SACS** – Upscale, suburban, married couples with children is the description of Kids & Cul-de-Sacs, an enviable lifestyle of large families in recently built subdivisions. With a high rate of Hispanic and Asian Americans, this segment is a refuge for college-educated, white-collar professionals with administrative jobs and upper-middle-class incomes. Their nexus of education, affluence and children translates into large outlays for child-centered products and services.
- 19 **HOME SWEET HOME** – Widely scattered across the nation’s suburbs, the residents of Home Sweet Home tend to be upper-middle-class married couples living in mid-sized homes with few children. The adults in the segment, mostly between the ages of 25 and 54, have gone to college and hold professional and white-collar jobs. With their upscale incomes and small families, these folks have fashioned comfortable lifestyles, filling their homes with toys, TV sets and pets.
- 20 **FAST-TRACK FAMILIES** – With their upper-middle-class incomes, numerous children and spacious homes, Fast-Track Families are in their prime acquisition years. These middle-aged parents have the disposable income and educated sensibility to want the best for their children. They buy the latest technology with impunity: new computers, DVD players, home theater systems and video games. They take advantage of their rustic locales by camping, boating and fishing.

## Brief Segment Descriptions

- 21 **GRAY POWER** – The steady rise of older, healthier Americans over the past decade has produced one important by-product: middle-class, home-owning suburbanites who are aging in place rather than moving to retirement communities. A segment of older, mid-scale singles and couples who live in quiet comfort, Gray Power reflects this trend.
- 22 **YOUNG INFLUENTIALS** – Once known as the home of the nation’s yuppies, Young Influentials reflects the fading glow of acquisitive yuppiedom. Today, the segment is a common address for young, middle-class singles and couples who are more preoccupied with balancing work and leisure pursuits. Having recently left college dorms, they now live in apartment complexes surrounded by ball fields, health clubs and casual-dining restaurants.
- 23 **GREENBELT SPORTS** – A segment of middle-class exurban couples, Greenbelt Sports is known for its active lifestyle. Most of these middle-aged residents are married, college-educated and own new homes; about a third have children. And few segments have higher rates for pursuing outdoor activities such as skiing, canoeing, backpacking, boating and mountain biking.
- 24 **UP-AND-COMERS** – Up-and-Comers is a stopover for young, mid-scale singles before they marry, have families and establish more deskbound lifestyles. Found in second-tier cities, these mobile twenty-somethings include a disproportionate number of recent college graduates who are into athletic activities, the latest technology and nightlife entertainment.
- 25 **COUNTRY CASUALS** – There’s a laid-back atmosphere in Country Casuals, a collection of middle-aged, upper-middle-class households that have started to empty-nest. Workers here—and most households boast two earners—have well-paying blue- or white-collar jobs, or own small businesses. Today these Baby-Boom couples have the disposable income to enjoy traveling, owning timeshares and going out to eat.
- 26 **THE COSMOPOLITANS** – Educated, mid-scale and multi-ethnic, The Cosmopolitans are urbane couples in America’s fast-growing cities. Concentrated in a handful of metros—such as Las Vegas, Miami and Albuquerque—these households feature older home-owners, empty-nesters and college graduates. A vibrant social scene surrounds their older homes and apartments, and residents love the nightlife and enjoy leisure-intensive lifestyles.
- 27 **MIDDLEBURG MANAGERS** – Middleburg Managers arose when empty-nesters settled in satellite communities which offered a lower cost of living and more relaxed pace. Today segment residents tend to be middle-class and over 55 years old with solid managerial jobs and comfortable retirements. In their older homes, they enjoy reading, playing musical instruments, indoor gardening and refinishing furniture.

## Brief Segment Descriptions

- 28 **TRADITIONAL TIMES** – Traditional Times is the kind of lifestyle where small-town couples nearing retirement are beginning to enjoy their first empty-nest years. Typically in their fifties and sixties, these middle-class Americans pursue a kind of granola-and-grits lifestyle. On their coffee tables are magazines with titles ranging from *Country Living* and *Country Home* to *Gourmet* and *Forbes*. But they're big travelers, especially in recreational vehicles and campers.
- 29 **AMERICAN DREAMS** – American Dreams is a living example of how ethnically diverse the nation has become: more than half the residents are Hispanic, Asian or African-American. In these multilingual neighborhoods—one in ten residents speaks a language other than English—middle-aged immigrants and their children live in middle-class comfort.
- 30 **SUBURBAN SPRAWL** – Suburban Sprawl is an unusual American lifestyle: a collection of mid-scale, middle-aged singles and couples living in the heart of suburbia. Typically members of the Baby Boom generation, they hold decent jobs, own older homes and condos, and pursue conservative versions of the American Dream. Among their favorite activities are jogging on treadmills, playing trivia games and renting videos.
- 31 **URBAN ACHIEVERS** – Concentrated in the nation's port cities, Urban Achievers is often the first stop for up-and-coming immigrants from Asia, South America and Europe. These young singles and couples are typically college-educated and ethnically diverse: about a third are foreign-born, and even more speak a language other than English.
- 32 **NEW HOMESTEADERS** – Young, middle-class families seeking to escape suburban sprawl find refuge in New Homesteaders, a collection of small rustic townships filled with new ranches and Cape Cods. With decent-paying jobs in white-collar and service industries, these dual-income couples have fashioned comfortable, child-centered lifestyles, their driveways filled with campers and powerboats, their family rooms with PlayStations and Game Boys.
- 33 **BIG SKY FAMILIES** – Scattered in placid towns across the American heartland, Big Sky Families is a segment of young rural families who have turned high school educations and blue-collar jobs into busy, middle-class lifestyles. Residents like to play baseball, basketball and volleyball in addition to going fishing, hunting and horseback riding. To entertain their sprawling families, they buy virtually every piece of sporting equipment on the market.
- 34 **WHITE PICKET FENCES** – Midpoint on the socioeconomic ladder, residents in White Picket Fences look a lot like the stereotypical American household of a generation ago: young, middle-class, married with children. But the current version is characterized by modest homes and ethnic diversity—including a disproportionate number of Hispanics and African-Americans.

## Brief Segment Descriptions

- 35 **BOOMTOWN SINGLES** – Affordable housing, abundant entry-level jobs and a thriving singles scene— all have given rise to the Boomtown Singles segment in fast-growing satellite cities. Young, single and working-class, these residents pursue active lifestyles amid sprawling apartment complexes, bars, convenience stores and laundromats.
- 36 **BLUE-CHIP BLUES** – Blue-Chip Blues is known as a comfortable lifestyle for young, sprawling families with well-paying blue-collar jobs. Ethnically diverse—with a significant presence of Hispanics and African-Americans—the segment’s aging neighborhoods feature compact, modestly priced homes surrounded by commercial centers that cater to child-filled households.
- 37 **MAYBERRY-VILLE** – Like the old Andy Griffith Show set in a quaint picturesque berg, Mayberry-ville harks back to an old-fashioned way of life. In these small towns, middle-class couples and families like to fish and hunt during the day, and stay home and watch TV at night. With lucrative blue-collar jobs and moderately priced housing, residents use their discretionary cash to purchase boats, campers, motorcycles and pickup trucks.
- 38 **SIMPLE PLEASURES** – With more than two-thirds of its residents over 65 years old, Simple Pleasures is mostly a retirement lifestyle: a neighborhood of lower-middle-class singles and couples living in modestly priced homes. Many are high school-educated seniors who held blue-collar jobs before their retirement, and a disproportionate number served in the military; no segment has more members of veterans clubs.
- 39 **DOMESTIC DUOS** – Domestic Duos represents a middle-class mix of mainly over-55 singles and married couples living in older suburban homes. With their high-school educations and fixed incomes, segment residents maintain an easy-going lifestyle. Residents like to socialize by going bowling, seeing a play, meeting at the local fraternal order or going out to eat.
- 40 **CLOSE-IN COUPLES** – Close-In Couples is a group of predominantly African-American couples living in older homes in the urban neighborhoods of mid-sized metros. High school educated and empty nesting, these 55-year-old-plus residents typically live in older city neighborhoods, enjoying secure and comfortable retirements.
- 41 **SUNSET CITY BLUES** – Scattered throughout the older neighborhoods of small cities, Sunset City Blues is a segment of lower-middle-class singles and couples who have retired or are getting close to retirement. These empty-nesters tend to own their homes but have modest educations and incomes. They maintain a low-key lifestyle filled with newspapers and television by day, and family-style restaurants at night.

## Brief Segment Descriptions

- 42 **RED, WHITE & BLUES** – The residents of Red, White & Blues typically live in exurban towns rapidly morphing into bedroom suburbs. Their streets feature new fast-food restaurants, and locals have recently celebrated the arrival of chains like Wal-Mart, Radio Shack and Payless Shoes. Middle-aged, high school educated and lower-middle class, these folks tend to have solid, blue-collar jobs in manufacturing, milling and construction.
- 43 **HEARTLANDERS** – America was once a land of small middle-class towns, which can still be found today among Heartlanders. This widespread segment consists of middle-aged couples with working-class jobs living in sturdy, unpretentious homes. In these communities of small families and empty-nesting couples, Heartlanders pursue a rustic lifestyle where hunting and fishing remain prime leisure activities along with cooking, sewing, camping and boating.
- 44 **NEW BEGINNINGS** – Filled with young, single adults, New Beginnings is a magnet for adults in transition. Many of its residents are twenty-something singles and couples just starting out on their career paths—or starting over after recent divorces or company transfers. Ethnically diverse—with nearly half its residents Hispanic, Asian or African-American—New Beginnings households tend to have the modest living standards typical of transient apartment dwellers.
- 45 **BLUE HIGHWAYS** – On maps, blue highways are often two-lane roads that wind through remote stretches of the American landscape. Among lifestyles, Blue Highways is the standout for lower-middle-class couples and families who live in isolated towns and farmsteads. Here, Boomer men like to hunt and fish; the women enjoy sewing and crafts, and everyone looks forward to going out to a country music concert.
- 46 **OLD GLORIES** – Old Glories are the nation’s downscale suburban retirees, Americans aging in place in older apartment complexes. These racially mixed households often contain widows and widowers living on fixed incomes, and they tend to lead home-centered lifestyles. They’re among the nation’s most ardent television fans, watching game shows, soaps, talk shows and newsmagazines at high rates.
- 47 **CITY STARTUPS** – In City Startups, young, multi-ethnic singles have settled in neighborhoods filled with cheap apartments and a commercial base of cafés, bars, laundromats and clubs that cater to twenty-somethings. One of the youngest segments in America—with ten times as many college students as the national average—these neighborhoods feature low incomes and high concentrations of Hispanics and African-Americans.

## Brief Segment Descriptions

- 48 **YOUNG & RUSTIC** – Like the soap opera that inspired its nickname, Young & Rustic is composed of young, restless singles. Unlike the glitzy soap denizens, however, these folks tend to be lower income, high school-educated and live in tiny apartments in the nation’s exurban towns. With their service industry jobs and modest incomes, these folks still try to fashion fast-paced lifestyles centered on sports, cars and dating.
- 49 **AMERICAN CLASSICS** – They may be older, lower-middle class and retired, but the residents of American Classics are still living the American Dream of home ownership. Few segments rank higher in their percentage of home owners, and that fact alone reflects a more comfortable lifestyle for these predominantly white singles and couples with deep ties to their neighborhoods.
- 50 **KID COUNTRY, USA** – Widely scattered throughout the nation’s heartland, Kid Country, USA is a segment dominated by large families living in small towns. Predominantly white with an above-average concentration of Hispanics, these young working-class households include homeowners, renters and military personnel living in base housing; about 20 percent of residents own mobile homes.
- 51 **SHOTGUNS & PICKUPS** – The segment known as Shotguns & Pickups came by its moniker honestly: it scores near the top of all lifestyles for owning hunting rifles and pickup trucks. These Americans tend to be young, working-class couples with large families—more than half have two or more kids—living in small homes and manufactured housing. Nearly a third of residents live in mobile homes, more than any other segment.
- 52 **SUBURBAN PIONEERS** – Suburban Pioneers represents one of the nation’s eclectic lifestyles, a mix of young singles, recently divorced and single parents who have moved into older, inner-ring suburbs. They live in aging homes and garden-style apartment buildings where the jobs are blue-collar and the money is tight. What unites these residents—a diverse mix of whites, Hispanics and African-Americans—is a working-class sensibility and an appreciation for their off-the-beaten-track neighborhoods.
- 53 **MOBILITY BLUES** – Young singles and single parents make their way to Mobility Blues, a segment of working-class neighborhoods in America’s satellite cities. Racially mixed and under 25 years old, these transient Americans tend to have modest lifestyles due to their lower-income blue-collar jobs. Surveys show they excel in going to movies, playing basketball and shooting pool.
- 54 **MULTI-CULTI MOSAIC** – An immigrant gateway community, Multi-Culti Mosaic is the urban home for a mixed populace of younger Hispanic, Asian and African-American singles and families. With nearly a quarter of the residents foreign born, this segment is a Mecca for first-generation Americans who are striving to improve their lower-middle-class status.

## Brief Segment Descriptions

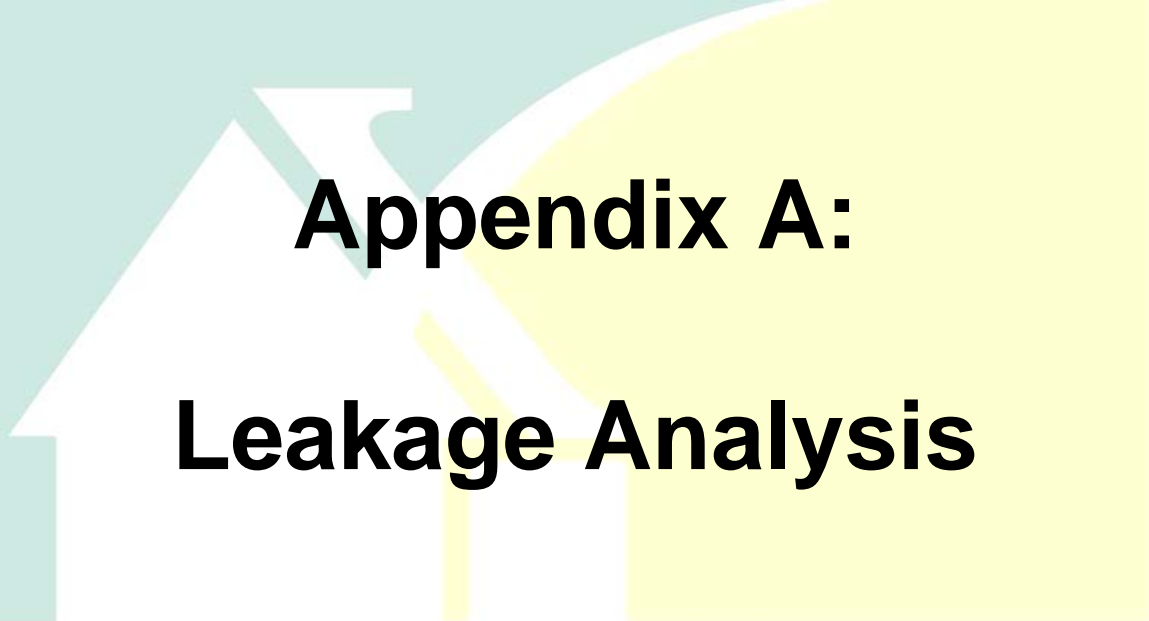
- 55 **GOLDEN PONDS** – Golden Ponds is mostly a retirement lifestyle, dominated by downscale singles and couples over 65 years old. Found in small bucolic towns around the country, these high school-educated seniors live in small apartments on less than \$25,000 a year; one in five resides in a nursing home. For these elderly residents, daily life is often a succession of sedentary activities such as reading, watching TV, playing bingo and doing craft projects.
- 56 **CROSSROADS VILLAGERS** – With a population of middle-aged, blue-collar couples and families, Crossroads Villagers is a classic rural lifestyle. Residents are high school-educated with lower-middle incomes and modest housing; one-quarter live in mobile homes. There's an air of self-reliance in these households as Crossroads Villagers help put food on the table through fishing, gardening and hunting.
- 57 **OLD MILLTOWNS** – America's once-thriving mining and manufacturing towns have aged—as have the residents in Old Milltowns communities. Today, the majority of residents are retired singles and couples living on downscale incomes in pre-1960 homes and apartments. For leisure they enjoy gardening, sewing, socializing at veterans clubs or eating out at casual restaurants.
- 58 **BACK COUNTRY FOLKS** – Strewn among remote farm communities across the nation, Back Country Folks are a long way away from economic paradise. The residents tend to be poor, over 55 years old and living in older, modest-sized homes and manufactured housing. Typically, life in this segment is a throwback to an earlier era when farming dominated the American landscape.
- 59 **URBAN ELDERS** – For Urban Elders—a segment located in the downtown neighborhoods of such metros as New York, Chicago, Las Vegas and Miami—life is often an economic struggle. These communities have high concentrations of Hispanics and African-Americans and tend to be downscale, with singles living in older apartment rentals.
- 60 **PARK BENCH SENIORS** – Park Bench Seniors are typically retired singles living in the racially mixed neighborhoods of the nation's satellite cities. With modest educations and incomes, these residents maintain low-key, sedentary lifestyles. Theirs is one of the top-ranked segments for TV viewing, especially daytime soaps and game shows.
- 61 **CITY ROOTS** – Found in urban neighborhoods, City Roots is a segment of lower-income retirees, typically living in older homes and duplexes they've owned for years. In these ethnically diverse neighborhoods—more than a third are African-American and Hispanic—residents are often widows and widowers living on fixed incomes and maintaining low-key lifestyles.

## Brief Segment Descriptions

- 62 **HOMETOWN RETIRED** – With three-quarters of all residents over 65 years old, Hometown Retired is one of the oldest segments. These racially mixed seniors tend to live in aging homes—half were built before 1958—and typically get by on social security and modest pensions. Because most never made it beyond high school and spent their working lives at blue-collar jobs, their retirements are extremely modest.
- 63 **FAMILY THRIFTS** – The small-city cousins of inner-city districts, Family Thrifts contain young, ethnically diverse parents who have lots of children and work entry-level service jobs. In these apartment-filled neighborhoods, visitors find the streets jam-packed with babies and toddlers, tricycles and basketball hoops, Daewoos and Hyundais.
- 64 **BEDROCK AMERICA** – Bedrock America consists of young, economically challenged families in small, isolated towns located throughout the nation’s heartland. With modest educations, sprawling families and blue-collar jobs, many of these residents struggle to make ends meet. One quarter live in mobile homes. One in three has not finished high school. Rich in scenery, Bedrock America is a haven for fishing, hunting, hiking and camping.
- 65 **BIG CITY BLUES** – With a population that’s half Latino, Big City Blues has the highest concentration of Hispanic Americans in the nation, but it’s also the multi-ethnic address for downscale Asian and African-American households occupying older inner-city apartments. Concentrated in a handful of major metros, these young singles and single-parent families face enormous challenges: low incomes, uncertain jobs and modest educations. More than 40% haven’t finished high school.
- 66 **LOW-RISE LIVING** – The most economically challenged urban segment, Low-Rise Living is known as a transient world for young, ethnically diverse singles and single parents. Home values are low—about half the national average—and even then, less than a quarter of residents can afford to own real estate.

Buxton utilizes the Claritas® PRIZM®NE segmentation system in this analysis. PRIZM®NE and Claritas® are registered trademarks of Claritas Inc. The PRIZM segment nicknames (e.g., “Blue Blood Estates,” “Big Sky Families,” “Country Squires”) are trademarks of Claritas Inc.





**Appendix A:**  
**Leakage Analysis**



# Retail Leakage and Surplus Analysis

The Retail Leakage and Surplus Analysis examines the quantitative aspect of the community's retail opportunities. It is a guide to understanding retail opportunities but it is not an analysis that indicates unconditional opportunities. The analysis is sometimes called "a gap analysis" or "a supply and demand analysis" and can aid in the following:

- \* Indicating how well the retail needs of local residents are being met
- \* Uncovering unmet demand and possible opportunities
- \* Understanding the strengths and weaknesses of the local retail sector
- \* Measuring the difference between actual and potential retail sales

## Understanding Retail Leakage

Retail leakage means that residents are spending more for products than local businesses capture. Retail sales leakage suggests that there is unmet demand in the trade area and that the community can support additional store space for that type of business.

However, retail leakage does not necessarily translate into opportunity. For example, there could be a strong competitor in a neighboring community that dominates the market for that type of product or store.

## Understanding Retail Surplus

A retail surplus means that the community's trade area is capturing the local market plus attracting non-local shoppers. A retail surplus does not necessarily mean that the community cannot support additional business. Many communities have developed strong clusters of stores that have broad geographic appeal. Examples of these types of retailers include: sporting goods stores, home furnishing stores, restaurants, and other specialty operations that become destination retailers and draw customers from outside the trade area.

Examining the quantitative aspects (Leakage/Surplus) is only part of the evaluation of community's retail opportunities. Before any conclusions can be drawn about potential business expansion or recruitment opportunities, qualitative considerations such as trade area psychographics and buying habits must be analyzed in context of other market factors.

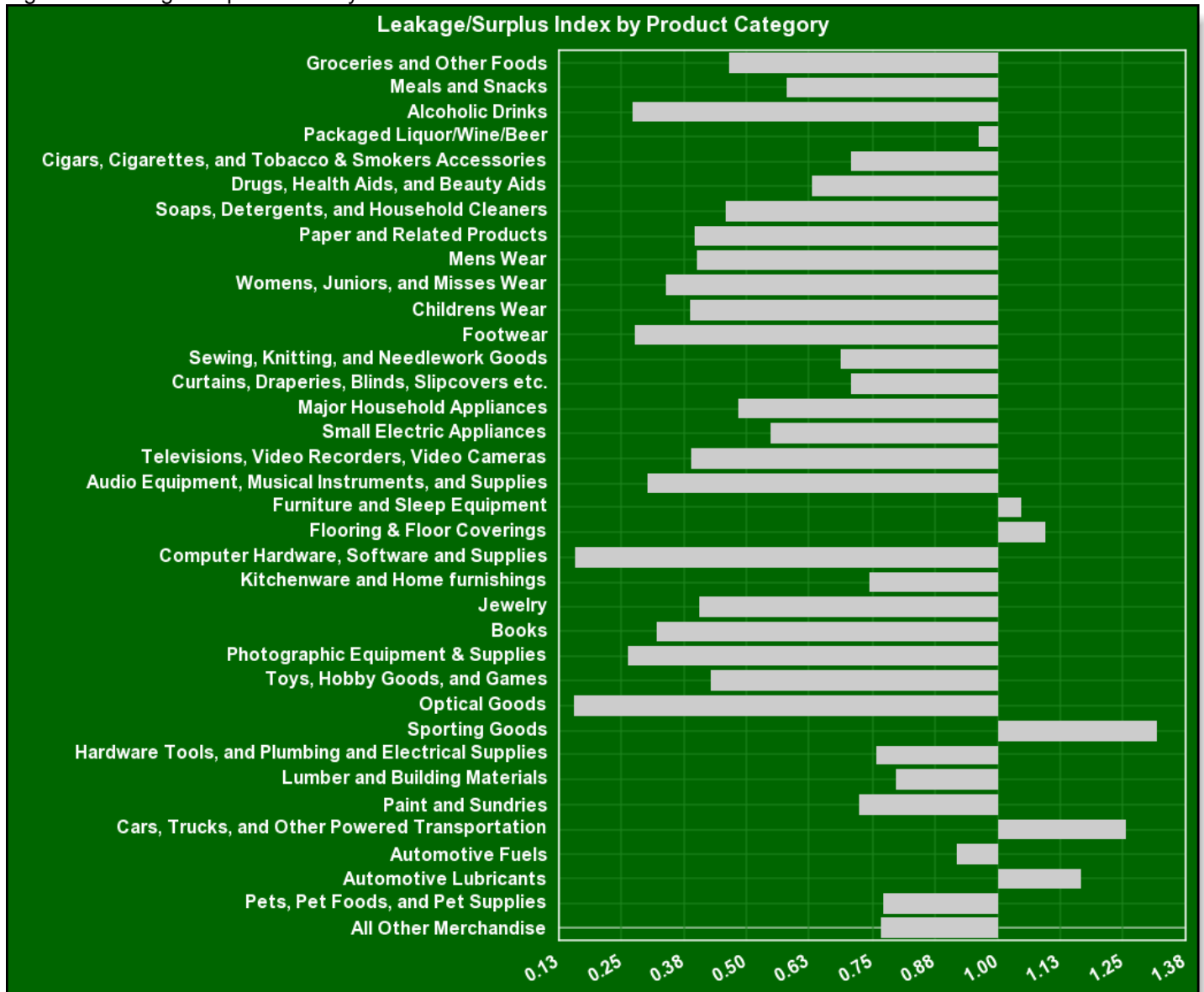
Site	Address	Analysis Geography
1	State Hwy 47 and 167th Ave Ramsey, MN 55303	12 minute drive time

### Leakage/Surplus Index by Product

The Leakage/Surplus Index provides a relative comparison of the supply and demand across retail product categories. It is calculated by dividing actual sales by potential sales. An index greater than 1.0 means that the community is attracting retail sales (surplus) from outside the trade area. If the index is less than 1.0 it means that out-shopping is taking place and the community is not successfully drawing its own residents.

Leakage/Surplus Index (Figure 1) shows the strengths and weaknesses of a community's retail market by product.

Figure 1. Leakage/Surplus Index by Product



Site	Address	Analysis Geography
1	State Hwy 47 and 167th Ave Ramsey, MN 55303	12 minute drive time

The sales potential and the actual sales potential by product category and the resulting index are shown in Figure 2.

Figure 2. Sales Potential and Actual Sales by Product

Product Type	Potential	Actual Sales	Leakage/Surplus Index
Groceries and Other Foods	90,717,752	42,236,674	0.5
Meals and Snacks	65,616,311	38,038,204	0.6
Alcoholic Drinks	7,821,568	2,133,119	0.3
Packaged Liquor/Wine/Beer	12,059,987	11,604,911	1.0
Cigars, Cigarettes, and Tobacco & Smokers Accessories	14,063,862	9,967,592	0.7
Drugs, Health Aids, and Beauty Aids	41,357,953	26,130,253	0.6
Soaps, Detergents, and Household Cleaners	4,558,662	2,089,794	0.5
Paper and Related Products	4,603,844	1,817,801	0.4
Mens Wear	15,280,986	6,114,751	0.4
Womens, Juniors, and Misses Wear	28,755,138	9,746,406	0.3
Childrens Wear	7,310,760	2,814,752	0.4
Footwear	11,487,024	3,190,720	0.3
Sewing, Knitting, and Needlework Goods	1,252,971	862,774	0.7
Curtains, Draperies, Blinds, Slipcovers etc.	5,291,767	3,740,982	0.7
Major Household Appliances	6,221,838	3,003,511	0.5
Small Electric Appliances	2,059,130	1,125,269	0.5
Televisions, Video Recorders, Video Cameras	5,366,373	2,079,842	0.4
Audio Equipment, Musical Instruments, and Supplies	8,741,808	2,629,829	0.3
Furniture and Sleep Equipment	13,937,586	14,600,590	1.0
Flooring & Floor Coverings	7,138,207	7,819,018	1.1
Computer Hardware, Software and Supplies	18,155,709	2,851,758	0.2
Kitchenware and Home furnishings	11,061,165	8,243,776	0.7
Jewelry	9,676,302	3,915,560	0.4
Books	4,361,481	1,398,866	0.3
Photographic Equipment & Supplies	2,136,825	563,434	0.3
Toys, Hobby Goods, and Games	7,102,888	3,046,486	0.4
Optical Goods	1,960,303	301,938	0.2
Sporting Goods	12,173,703	16,046,253	1.3
Hardware Tools, and Plumbing and Electrical Supplies	53,593,343	40,591,054	0.8
Lumber and Building Materials	44,049,783	35,048,390	0.8
Paint and Sundries	6,770,039	4,905,221	0.7
Cars, Trucks, and Other Powered Transportation	120,408,652	151,459,386	1.3
Automotive Fuels	54,868,329	50,478,969	0.9
Automotive Lubricants	25,179,448	29,378,254	1.2
Pets, Pet Foods, and Pet Supplies	3,525,739	2,718,871	0.8
All Other Merchandise	25,995,377	19,927,505	0.8

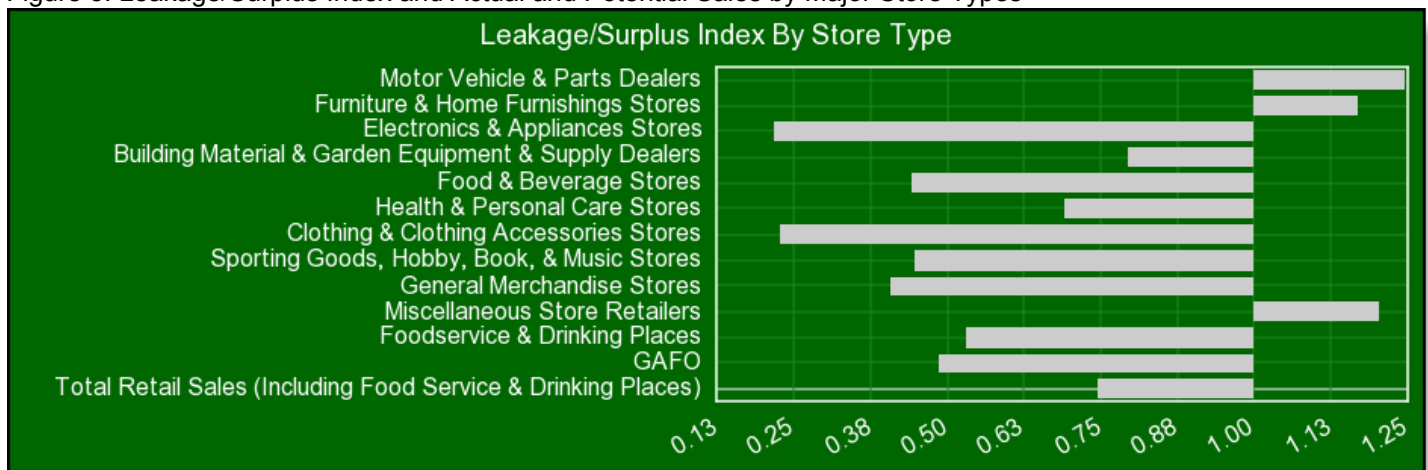
Site	Address	Analysis Geography
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### Leakage/Surplus Index by Major Store Type

The quantitative comparison of retail leakage and surplus in the twelve major store types shown in the chart and table below provides an initial measure of market opportunities. Combining this analysis with the knowledge of the local retail situation will take the process of identifying retail possibilities one step further.

Figure 3 provides the leakage/surplus indices and following is the sales potential and actual sales for major store types.

Figure 3. Leakage/Surplus Index and Actual and Potential Sales by Major Store Types



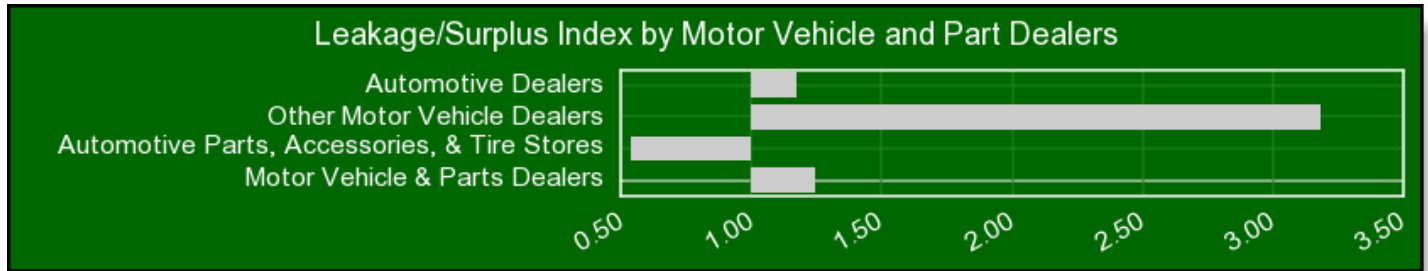
Store Type	Potential	Actual Sales	Leakage/Surplus Index
Motor Vehicle & Parts Dealers	149,388,882	185,933,601	1.24
Furniture & Home Furnishings Stores	22,126,546	25,893,941	1.17
Electronics & Appliances Stores	18,868,384	4,103,340	0.22
Building Material & Garden Equipment & Supply Dealers	97,005,144	77,175,569	0.80
Food & Beverage Stores	80,199,279	35,387,349	0.44
Health & Personal Care Stores	32,717,267	22,570,410	0.69
Clothing & Clothing Accessories Stores	37,514,137	8,563,738	0.23
Sporting Goods, Hobby, Book, & Music Stores	15,432,418	6,904,774	0.45
General Merchandise Stores	89,999,655	36,656,167	0.41
Miscellaneous Store Retailers	21,053,899	25,345,424	1.20
Foodservice & Drinking Places	68,264,518	36,213,574	0.53
GAFO	192,446,310	93,396,758	0.49
Total Retail Sales (Including Food Service & Drinking Places)	754,662,615	562,622,535	0.75

\* GAFO refers to discount retailers that typically include the following departments: general merchandise; clothing and clothing accessories; furniture and home furnishings; electronics and appliances; sporting goods, hobby, books and music; and office supplies.

Site	Address	Analysis Geography
1	State Hwy 47 and 167th Ave Ramsey, MN 55303	12 minute drive time

**Leakage/Surplus Analysis by Sub-Categories of Major Retail Types**

Additional leakage/surplus details are provided on subcategories of stores in each of the twelve major store types. These details can help further identify possible business expansion opportunities.



Motor Vehicle and Parts Dealers	Potential	Actual Sales	Leakage/Surplus Index
Automotive Dealers	129,206,049	151,172,101	1.17
Other Motor Vehicle Dealers	9,019,519	28,760,269	3.19
Automotive Parts, Accessories, & Tire Stores	11,163,312	6,001,229	0.54
Motor Vehicle & Parts Dealers	149,388,882	185,933,601	1.24

Site	Address	Analysis Geography
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Electronics and Appliance Stores	Potential	Actual Sales	Leakage/Surplus Index
Household Appliances Stores	3,188,341	266,177	0.08
Radio Television and Other Electronics Stores	11,162,821	2,958,361	0.27
Appliance, Television, and Other Electronics Stores	14,351,162	3,224,539	0.22
Computer and Software Stores	3,720,946	828,001	0.22
Camera & Photographic Equipment Stores	796,275	50,799	0.06
Electronics & Appliances Stores	18,868,384	4,103,340	0.22

Site	Address	Analysis Geography
1	State Hwy 47 and 167th Ave Ramsey, MN 55303	12 minute drive time



Furniture and Home Furnishings Stores	Potential	Actual Sales	Leakage/Surplus Index
Furniture Stores	11,476,919	12,921,832	1.13
Home Furnishing Stores	10,649,626	12,972,108	1.22
Furniture & Home Furnishings Stores	22,126,546	25,893,941	1.17

Site	Address	Analysis Geography
1	State Hwy 47 and 167th Ave Ramsey, MN 55303	12 minute drive time



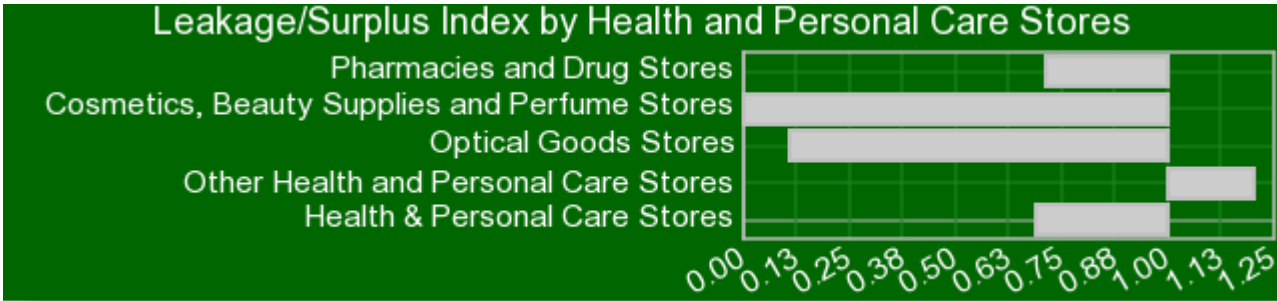
Building Material, Garden Equipment and Supply Dealers	Potential	Actual Sales	Leakage/Surplus Index
Home Centers	33,438,154	15,027,819	0.45
Paint and Wallpaper Stores	2,259,630	1,299,428	0.58
Hardware Stores	6,793,838	14,769,305	2.17
Building Materials, Lumberyards	15,701,962	14,213,616	0.91
Other Building Materials Dealers	45,829,569	41,680,807	0.91
Building Material & Supply Dealers	88,321,192	72,777,360	0.82
Outdoor Power Equipment Stores	1,273,354	1,173,868	0.92
Nursery and Garden Centers	7,410,598	3,224,340	0.44
Lawn and Garden Equipment and Supplies Stores	8,683,952	4,398,208	0.51
Building Material & Garden Equipment & Supply Dealers	97,005,144	77,175,569	0.80

Site	Address	Analysis Geography
1	State Hwy 47 and 167th Ave Ramsey, MN 55303	12 minute drive time



Food and Beverage Stores	Potential	Actual Sales	Leakage/Surplus Index
Supermarkets and Other Grocery (except Convenience) Stores	68,529,480	26,947,273	0.39
Convenience Stores	3,836,037	633,482	0.17
Grocery Stores	72,365,518	27,580,756	0.38
Specialty Food Stores	2,381,410	615,241	0.26
Beer, Wine, & Liquor Stores	5,452,350	7,191,351	1.32
Food & Beverage Stores	80,199,279	35,387,349	0.44

Site	Address	Analysis Geography
1	State Hwy 47 and 167th Ave Ramsey, MN 55303	12 minute drive time



Health and Personal Care Stores	Potential	Actual Sales	Leakage/Surplus Index
Pharmacies and Drug Stores	27,914,293	19,946,210	0.71
Cosmetics, Beauty Supplies and Perfume Stores	1,136,261	0	0.00
Optical Goods Stores	1,643,848	184,983	0.11
Other Health and Personal Care Stores	2,022,863	2,439,216	1.21
Health & Personal Care Stores	32,717,267	22,570,410	0.69

Site	Address	Analysis Geography
1	State Hwy 47 and 167th Ave Ramsey, MN 55303	12 minute drive time



Clothing and Clothing Accessories Stores	Potential	Actual Sales	Leakage/Surplus Index
Mens Clothing Stores	1,666,340	997,905	0.60
Womens Clothing Stores	6,880,380	2,446,973	0.36
Childrens and Infants Clothing Stores	1,486,766	0	0.00
Family Clothing Stores	14,134,088	1,736,293	0.12
Clothing Accessories Stores	644,612	12,559	0.02
Other Clothing Stores	1,790,223	52,564	0.03
Clothing Stores	26,602,412	5,246,298	0.20
Shoe Stores	5,171,215	1,016,635	0.20
Jewelry Stores	5,297,263	2,300,804	0.43
Luggage, & Leather Goods Stores	443,245	0	0.00
Jewelry, Luggage, & Leather Goods Stores	5,740,509	2,300,804	0.40
Clothing & Clothing Accessories Stores	37,514,137	8,563,738	0.23

Site	Address	Analysis Geography
1	State Hwy 47 and 167th Ave Ramsey, MN 55303	12 minute drive time



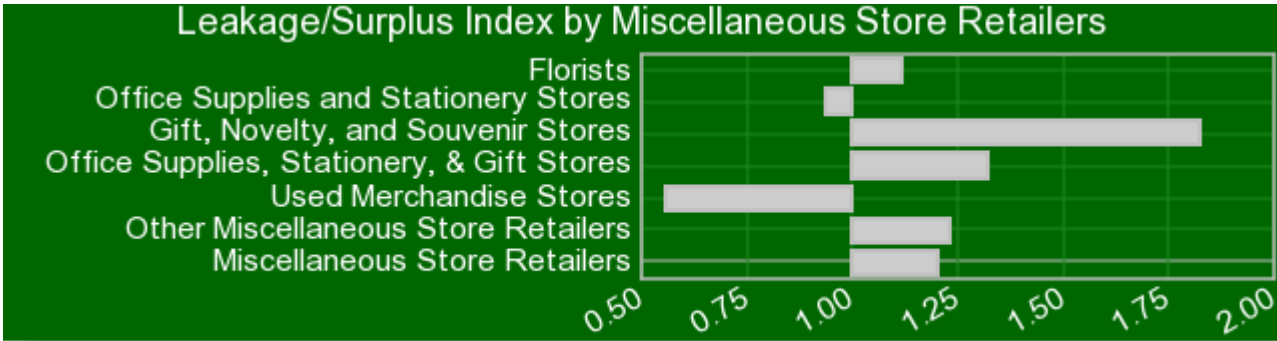
Sporting Goods, Hobby, Book and Music Stores	Potential	Actual Sales	Leakage/Surplus Index
Sporting Goods Stores	5,829,675	3,952,422	0.68
Hobby, Toys and Games Stores	3,486,887	1,339,364	0.38
Sew/Needlework/Piece Goods Stores	787,585	773,011	0.98
Musical Instrument and Supplies Stores	1,008,800	234,735	0.23
Sporting Goods, Hobby, & Musical Instrument Stores	11,112,947	6,299,533	0.57
Book Stores	2,658,552	170,233	0.06
News Dealers and Newsstands	166,748	0	0.00
Book Stores and News Dealers	2,825,300	170,233	0.06
Prerecorded Tape, Compact Disc, and Record Stores	1,494,169	435,008	0.29
Book, Periodical, & Music Stores	4,319,470	605,241	0.14
Sporting Goods, Hobby, Book, & Music Stores	15,432,418	6,904,774	0.45

Site	Address	Analysis Geography
1	State Hwy 47 and 167th Ave Ramsey, MN 55303	12 minute drive time



General Merchandise Stores	Potential	Actual Sales	Leakage/Surplus Index
Department Stores excluding leased depts.	43,406,147	30,193,323	0.70
Warehouse Clubs and Super Stores	39,572,857	5,022,369	0.13
All Other General Merchandise Stores	7,020,650	1,440,474	0.21
Other General Merchandise Stores	46,593,507	6,462,843	0.14
General Merchandise Stores	89,999,655	36,656,167	0.41

Site	Address	Analysis Geography
1	State Hwy 47 and 167th Ave Ramsey, MN 55303	12 minute drive time



Miscellaneous Store Retailers	Potential	Actual Sales	Leakage/Surplus Index
Florists	1,561,361	1,747,458	1.12
Office Supplies and Stationery Stores	4,790,965	4,493,738	0.94
Gift, Novelty, and Souvenir Stores	3,714,202	6,781,057	1.83
Office Supplies, Stationery, & Gift Stores	8,505,168	11,274,795	1.33
Used Merchandise Stores	1,813,431	1,019,179	0.56
Other Miscellaneous Store Retailers	9,173,937	11,303,990	1.23
Miscellaneous Store Retailers	21,053,899	25,345,424	1.20

Site	Address	Analysis Geography
1	State Hwy 47 and 167th Ave Ramsey, MN 55303	12 minute drive time



Foodservice and Drinking Places	Potential	Actual Sales	Leakage/Surplus Index
Full-service Restaurants	31,067,619	9,480,903	0.31
Limited-service Eating Places	28,584,321	23,515,254	0.82
Special Foodservices	5,525,415	2,679,126	0.48
Drinking Places -Alcoholic Beverages	3,087,162	538,289	0.17
Foodservice & Drinking Places	68,264,518	36,213,574	0.53

Site	Address	Analysis Geography
1	State Hwy 47 and 167th Ave Ramsey, MN 55303	12 minute drive time

### **Sources and Methodology**

Household demand estimates are derived by combining data from the Consumer Expenditures Survey by the Bureau of Labor Statistics with current household demographic estimates from Claritas. The demand estimates only account for household expenditures. Demand is defined as the estimated dollar amount spent by a household that resides in the area of analysis for a specified retail store type or merchandise line item.

Supply estimates are generated from the Census of Retail Trade, a component of the Economic Census. County-level sales tax data is allocated to low levels of geography using business sales estimates, business locations, and employee counts provided by Claritas' Business Facts® database. Supply includes all products sold at retail outlets in a specified area for a one-year period. Supply is defined as the estimated total retail sales for a retail store type or merchandise line item.

Source: Retail Market Power™ (Claritas).





# Retail Leakage and Surplus Analysis

The Retail Leakage and Surplus Analysis examines the quantitative aspect of the community's retail opportunities. It is a guide to understanding retail opportunities but it is not an analysis that indicates unconditional opportunities. The analysis is sometimes called "a gap analysis" or "a supply and demand analysis" and can aid in the following:

- \* Indicating how well the retail needs of local residents are being met
- \* Uncovering unmet demand and possible opportunities
- \* Understanding the strengths and weaknesses of the local retail sector
- \* Measuring the difference between actual and potential retail sales

## Understanding Retail Leakage

Retail leakage means that residents are spending more for products than local businesses capture. Retail sales leakage suggests that there is unmet demand in the trade area and that the community can support additional store space for that type of business.

However, retail leakage does not necessarily translate into opportunity. For example, there could be a strong competitor in a neighboring community that dominates the market for that type of product or store.

## Understanding Retail Surplus

A retail surplus means that the community's trade area is capturing the local market plus attracting non-local shoppers. A retail surplus does not necessarily mean that the community cannot support additional business. Many communities have developed strong clusters of stores that have broad geographic appeal. Examples of these types of retailers include: sporting goods stores, home furnishing stores, restaurants, and other specialty operations that become destination retailers and draw customers from outside the trade area.

Examining the quantitative aspects (Leakage/Surplus) is only part of the evaluation of community's retail opportunities. Before any conclusions can be drawn about potential business expansion or recruitment opportunities, qualitative considerations such as trade area psychographics and buying habits must be analyzed in context of other market factors.

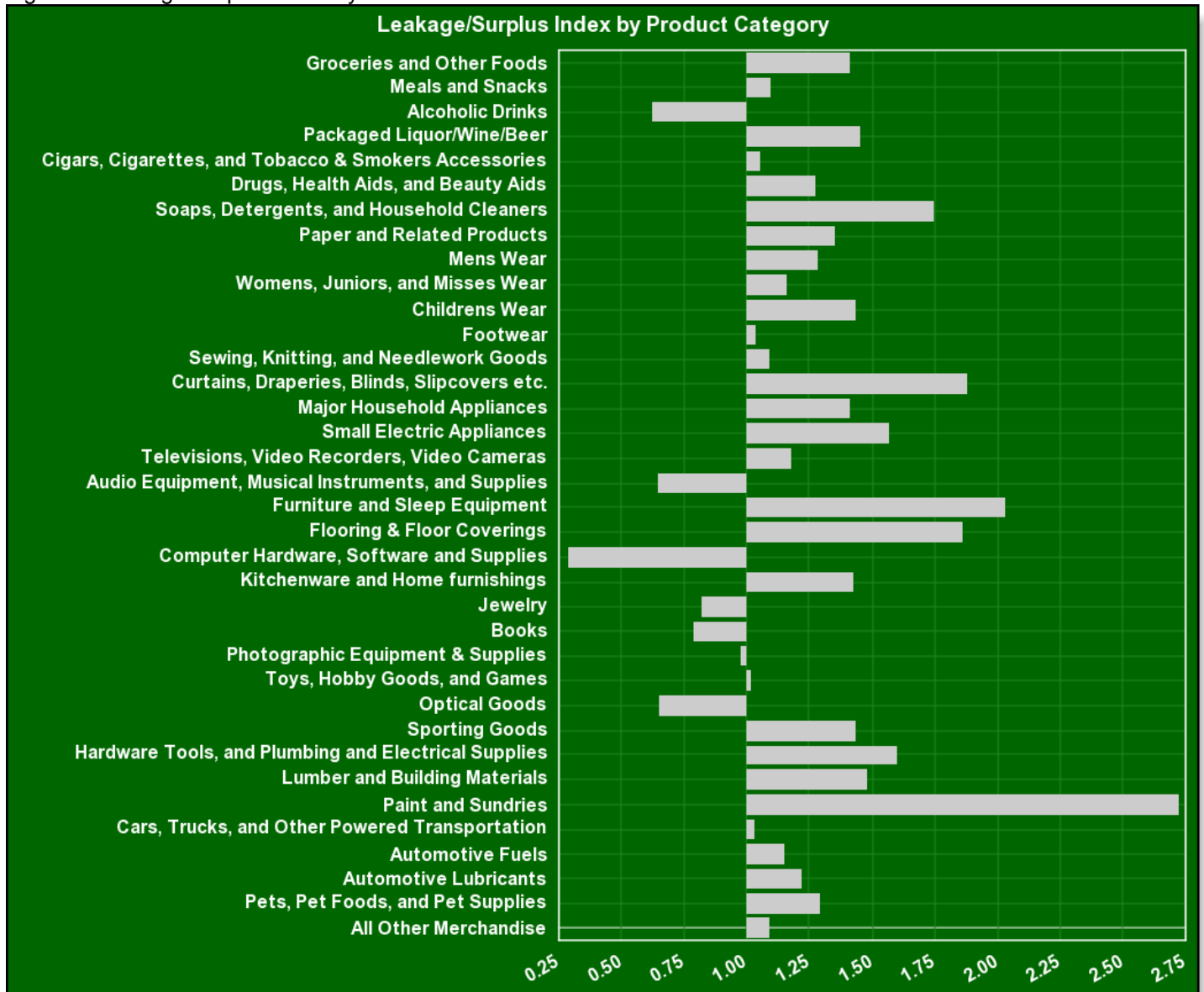
Site	Address	Analysis Geography
2	Armstrong Blvd and Sunwood Dr Ramsey, MN 55303	12 minute drive time

### Leakage/Surplus Index by Product

The Leakage/Surplus Index provides a relative comparison of the supply and demand across retail product categories. It is calculated by dividing actual sales by potential sales. An index greater than 1.0 means that the community is attracting retail sales (surplus) from outside the trade area. If the index is less than 1.0 it means that out-shopping is taking place and the community is not successfully drawing its own residents.

Leakage/Surplus Index (Figure 1) shows the strengths and weaknesses of a community's retail market by product.

Figure 1. Leakage/Surplus Index by Product



Site	Address	Analysis Geography
2	Armstrong Blvd and Sunwood Dr Ramsey, MN 55303	12 minute drive time

The sales potential and the actual sales potential by product category and the resulting index are shown in Figure 2.

Figure 2. Sales Potential and Actual Sales by Product

Product Type	Potential	Actual Sales	Leakage/Surplus Index
Groceries and Other Foods	155,668,339	219,618,808	1.4
Meals and Snacks	112,335,244	122,716,270	1.1
Alcoholic Drinks	13,471,662	8,400,432	0.6
Packaged Liquor/Wine/Beer	20,778,005	30,176,394	1.5
Cigars, Cigarettes, and Tobacco & Smokers Accessories	25,676,504	27,009,800	1.1
Drugs, Health Aids, and Beauty Aids	73,044,600	93,001,762	1.3
Soaps, Detergents, and Household Cleaners	7,549,342	13,182,893	1.7
Paper and Related Products	7,719,443	10,447,998	1.4
Mens Wear	24,814,549	31,888,185	1.3
Womens, Juniors, and Misses Wear	46,134,072	53,308,389	1.2
Childrens Wear	12,283,538	17,626,113	1.4
Footwear	18,787,848	19,425,783	1.0
Sewing, Knitting, and Needlework Goods	2,056,543	2,235,997	1.1
Curtains, Draperies, Blinds, Slipcovers etc.	8,560,235	16,072,968	1.9
Major Household Appliances	10,183,683	14,356,223	1.4
Small Electric Appliances	3,501,670	5,481,153	1.6
Televisions, Video Recorders, Video Cameras	9,086,642	10,688,665	1.2
Audio Equipment, Musical Instruments, and Supplies	14,570,163	9,366,892	0.6
Furniture and Sleep Equipment	22,581,302	45,893,118	2.0
Flooring & Floor Coverings	11,027,483	20,540,589	1.9
Computer Hardware, Software and Supplies	29,723,380	8,476,802	0.3
Kitchenware and Home furnishings	17,724,474	25,225,301	1.4
Jewelry	15,173,257	12,467,961	0.8
Books	7,292,337	5,733,850	0.8
Photographic Equipment & Supplies	3,478,498	3,389,265	1.0
Toys, Hobby Goods, and Games	11,691,721	11,867,223	1.0
Optical Goods	3,264,232	2,115,094	0.6
Sporting Goods	19,651,953	28,199,181	1.4
Hardware Tools, and Plumbing and Electrical Supplies	86,063,451	137,406,558	1.6
Lumber and Building Materials	69,345,399	102,737,789	1.5
Paint and Sundries	10,443,865	28,443,106	2.7
Cars, Trucks, and Other Powered Transportation	203,114,436	209,331,922	1.0
Automotive Fuels	93,754,035	107,529,395	1.1
Automotive Lubricants	42,893,802	52,188,837	1.2
Pets, Pet Foods, and Pet Supplies	5,779,297	7,480,332	1.3
All Other Merchandise	43,817,328	47,686,156	1.1

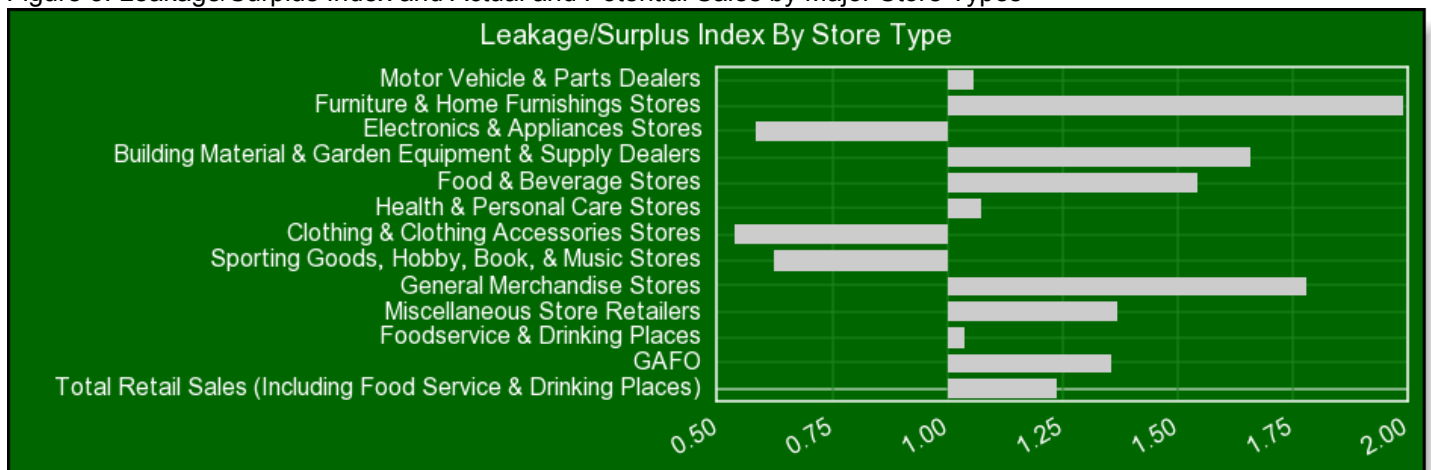
Site	Address	Analysis Geography
2	Armstrong Blvd and Sunwood Dr Ramsey, MN 55303	12 minute drive time

### Leakage/Surplus Index by Major Store Type

The quantitative comparison of retail leakage and surplus in the twelve major store types shown in the chart and table below provides an initial measure of market opportunities. Combining this analysis with the knowledge of the local retail situation will take the process of identifying retail possibilities one step further.

Figure 3 provides the leakage/surplus indices and following is the sales potential and actual sales for major store types.

Figure 3. Leakage/Surplus Index and Actual and Potential Sales by Major Store Types



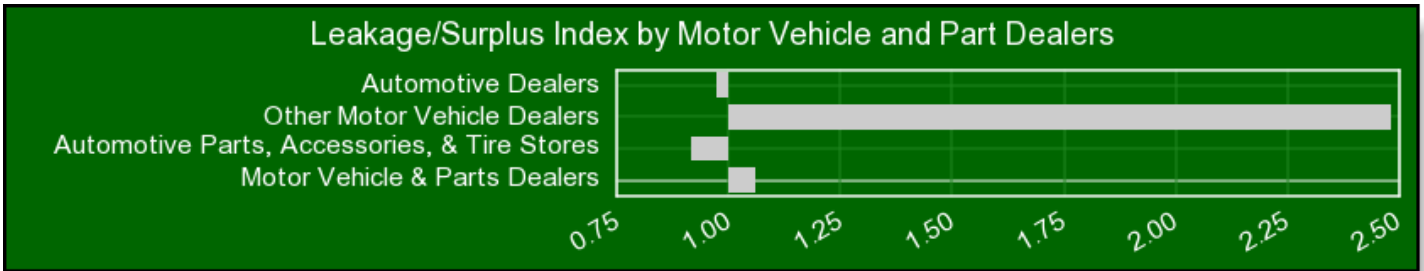
Store Type	Potential	Actual Sales	Leakage/Surplus Index
Motor Vehicle & Parts Dealers	251,781,061	266,569,160	1.06
Furniture & Home Furnishings Stores	35,478,890	70,581,222	1.99
Electronics & Appliances Stores	31,202,427	18,209,743	0.58
Building Material & Garden Equipment & Supply Dealers	154,259,516	256,104,002	1.66
Food & Beverage Stores	137,734,946	212,833,625	1.55
Health & Personal Care Stores	57,060,425	61,242,832	1.07
Clothing & Clothing Accessories Stores	60,625,638	32,693,334	0.54
Sporting Goods, Hobby, Book, & Music Stores	25,456,445	15,868,665	0.62
General Merchandise Stores	150,004,593	266,862,724	1.78
Miscellaneous Store Retailers	35,142,086	48,139,774	1.37
Foodservice & Drinking Places	116,885,829	121,339,023	1.04
GAFO	316,955,810	430,567,060	1.36
Total Retail Sales (Including Food Service & Drinking Places)	1,263,042,337	1,561,717,215	1.24

\* GAFO refers to discount retailers that typically include the following departments: general merchandise; clothing and clothing accessories; furniture and home furnishings; electronics and appliances; sporting goods, hobby, books and music; and office supplies.

Site	Address	Analysis Geography
2	Armstrong Blvd and Sunwood Dr Ramsey, MN 55303	12 minute drive time

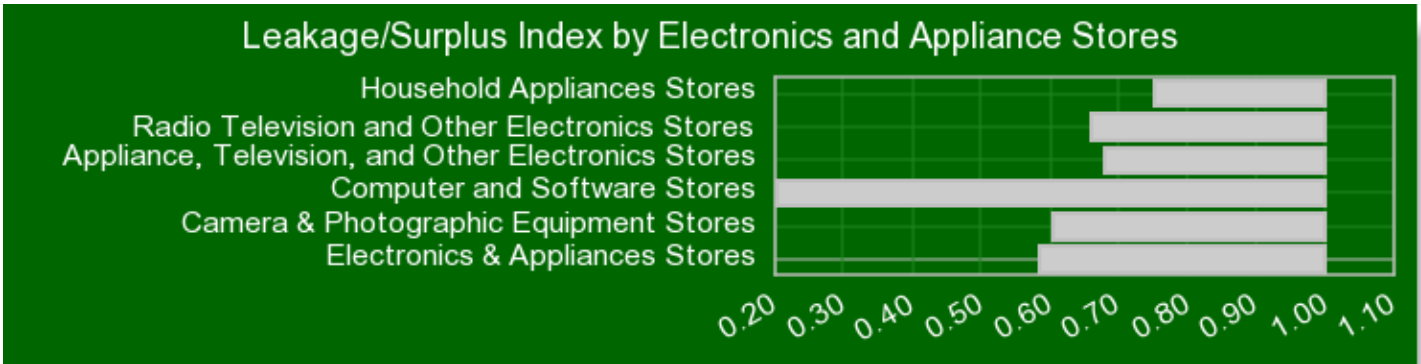
**Leakage/Surplus Analysis by Sub-Categories of Major Retail Types**

Additional leakage/surplus details are provided on subcategories of stores in each of the twelve major store types. These details can help further identify possible business expansion opportunities.



Motor Vehicle and Parts Dealers	Potential	Actual Sales	Leakage/Surplus Index
Automotive Dealers	217,884,214	212,144,520	0.97
Other Motor Vehicle Dealers	14,940,818	37,090,375	2.48
Automotive Parts, Accessories, & Tire Stores	18,956,028	17,334,263	0.91
Motor Vehicle & Parts Dealers	251,781,061	266,569,160	1.06

Site	Address	Analysis Geography
2	Armstrong Blvd and Sunwood Dr Ramsey, MN 55303	12 minute drive time



Electronics and Appliance Stores	Potential	Actual Sales	Leakage/Surplus Index
Household Appliances Stores	5,254,952	3,953,015	0.75
Radio Television and Other Electronics Stores	18,539,684	12,236,159	0.66
Appliance, Television, and Other Electronics Stores	23,794,637	16,189,174	0.68
Computer and Software Stores	6,103,202	1,233,169	0.20
Camera & Photographic Equipment Stores	1,304,587	787,398	0.60
Electronics & Appliances Stores	31,202,427	18,209,743	0.58

Site	Address	Analysis Geography
2	Armstrong Blvd and Sunwood Dr Ramsey, MN 55303	12 minute drive time



Furniture and Home Furnishings Stores	Potential	Actual Sales	Leakage/Surplus Index
Furniture Stores	18,603,911	40,000,979	2.15
Home Furnishing Stores	16,874,978	30,580,242	1.81
Furniture & Home Furnishings Stores	35,478,890	70,581,222	1.99

Site	Address	Analysis Geography
2	Armstrong Blvd and Sunwood Dr Ramsey, MN 55303	12 minute drive time



Building Material, Garden Equipment and Supply Dealers	Potential	Actual Sales	Leakage/Surplus Index
Home Centers	53,351,473	161,584,014	3.03
Paint and Wallpaper Stores	3,519,220	11,098,598	3.15
Hardware Stores	11,001,766	19,254,041	1.75
Building Materials, Lumberyards	24,845,716	20,307,788	0.82
Other Building Materials Dealers	72,326,818	59,551,689	0.82
Building Material & Supply Dealers	140,199,278	251,488,343	1.79
Outdoor Power Equipment Stores	2,061,405	1,423,983	0.69
Nursery and Garden Centers	11,998,832	3,191,675	0.27
Lawn and Garden Equipment and Supplies Stores	14,060,238	4,615,658	0.33
Building Material & Garden Equipment & Supply Dealers	154,259,516	256,104,002	1.66

Site	Address	Analysis Geography
2	Armstrong Blvd and Sunwood Dr Ramsey, MN 55303	12 minute drive time



Food and Beverage Stores	Potential	Actual Sales	Leakage/Surplus Index
Supermarkets and Other Grocery (except Convenience) Stores	117,574,365	193,255,979	1.64
Convenience Stores	6,670,371	1,365,779	0.20
Grocery Stores	124,244,737	194,621,759	1.57
Specialty Food Stores	4,067,912	2,276,685	0.56
Beer, Wine, & Liquor Stores	9,422,296	15,935,180	1.69
Food & Beverage Stores	137,734,946	212,833,625	1.55

Site	Address	Analysis Geography
2	Armstrong Blvd and Sunwood Dr Ramsey, MN 55303	12 minute drive time



Health and Personal Care Stores	Potential	Actual Sales	Leakage/Surplus Index
Pharmacies and Drug Stores	48,774,455	55,106,384	1.13
Cosmetics, Beauty Supplies and Perfume Stores	1,993,189	58,206	0.03
Optical Goods Stores	2,738,307	1,726,430	0.63
Other Health and Personal Care Stores	3,554,473	4,351,811	1.22
Health & Personal Care Stores	57,060,425	61,242,832	1.07

Site	Address	Analysis Geography
2	Armstrong Blvd and Sunwood Dr Ramsey, MN 55303	12 minute drive time



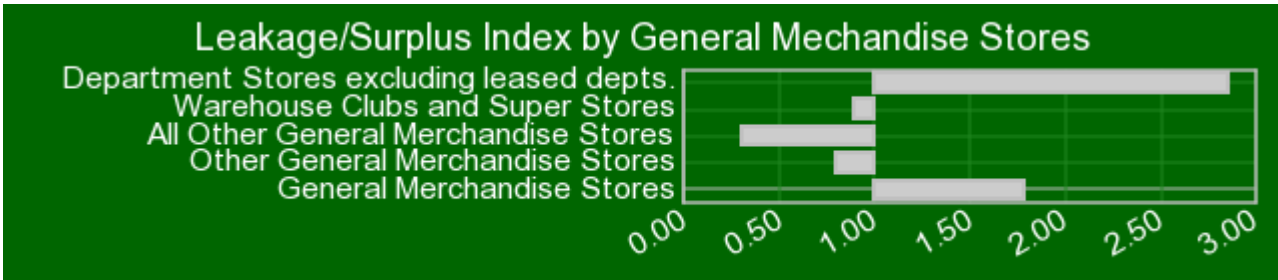
Clothing and Clothing Accessories Stores	Potential	Actual Sales	Leakage/Surplus Index
Mens Clothing Stores	2,706,839	1,769,758	0.65
Womens Clothing Stores	11,052,193	7,615,061	0.69
Childrens and Infants Clothing Stores	2,492,592	0	0.00
Family Clothing Stores	22,959,606	10,387,142	0.45
Clothing Accessories Stores	1,026,771	46,173	0.05
Other Clothing Stores	2,890,899	353,967	0.12
Clothing Stores	43,128,903	20,172,104	0.47
Shoe Stores	8,456,967	7,690,767	0.91
Jewelry Stores	8,335,627	4,830,463	0.58
Luggage, & Leather Goods Stores	704,140	0	0.00
Jewelry, Luggage, & Leather Goods Stores	9,039,768	4,830,463	0.53
Clothing & Clothing Accessories Stores	60,625,638	32,693,334	0.54

Site	Address	Analysis Geography
2	Armstrong Blvd and Sunwood Dr Ramsey, MN 55303	12 minute drive time



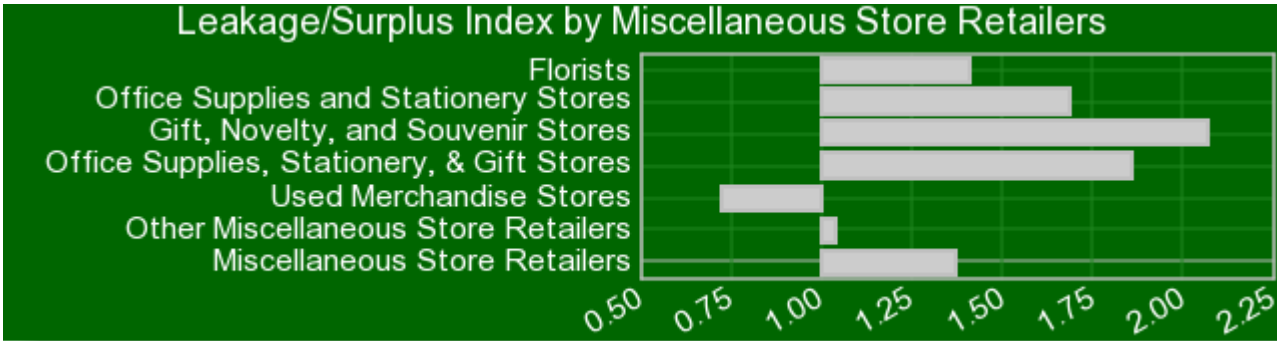
Sporting Goods, Hobby, Book and Music Stores	Potential	Actual Sales	Leakage/Surplus Index
Sporting Goods Stores	9,443,179	8,202,325	0.87
Hobby, Toys and Games Stores	5,749,767	2,087,389	0.36
Sew/Needlework/Piece Goods Stores	1,295,649	1,128,311	0.87
Musical Instrument and Supplies Stores	1,677,191	877,284	0.52
Sporting Goods, Hobby, & Musical Instrument Stores	18,165,787	12,295,310	0.68
Book Stores	4,447,672	3,018,561	0.68
News Dealers and Newsstands	289,348	0	0.00
Book Stores and News Dealers	4,737,021	3,018,561	0.64
Prerecorded Tape, Compact Disc, and Record Stores	2,553,637	554,793	0.22
Book, Periodical, & Music Stores	7,290,658	3,573,354	0.49
Sporting Goods, Hobby, Book, & Music Stores	25,456,445	15,868,665	0.62

Site	Address	Analysis Geography
2	Armstrong Blvd and Sunwood Dr Ramsey, MN 55303	12 minute drive time



General Merchandise Stores	Potential	Actual Sales	Leakage/Surplus Index
Department Stores excluding leased depts.	71,523,775	204,210,171	2.86
Warehouse Clubs and Super Stores	66,879,971	59,218,558	0.89
All Other General Merchandise Stores	11,600,846	3,433,994	0.30
Other General Merchandise Stores	78,480,817	62,652,553	0.80
General Merchandise Stores	150,004,593	266,862,724	1.78

Site	Address	Analysis Geography
2	Armstrong Blvd and Sunwood Dr Ramsey, MN 55303	12 minute drive time



Miscellaneous Store Retailers	Potential	Actual Sales	Leakage/Surplus Index
Florists	2,533,834	3,579,452	1.41
Office Supplies and Stationery Stores	8,000,027	13,534,338	1.69
Gift, Novelty, and Souvenir Stores	6,187,787	12,817,032	2.07
Office Supplies, Stationery, & Gift Stores	14,187,814	26,351,370	1.86
Used Merchandise Stores	2,982,278	2,157,900	0.72
Other Miscellaneous Store Retailers	15,438,158	16,051,051	1.04
Miscellaneous Store Retailers	35,142,086	48,139,774	1.37

Site	Address	Analysis Geography
2	Armstrong Blvd and Sunwood Dr Ramsey, MN 55303	12 minute drive time



Foodservice and Drinking Places	Potential	Actual Sales	Leakage/Surplus Index
Full-service Restaurants	53,210,694	48,584,771	0.91
Limited-service Eating Places	48,924,313	65,873,607	1.35
Special Foodservices	9,446,474	6,079,168	0.64
Drinking Places -Alcoholic Beverages	5,304,346	801,477	0.15
Foodservice & Drinking Places	116,885,829	121,339,023	1.04

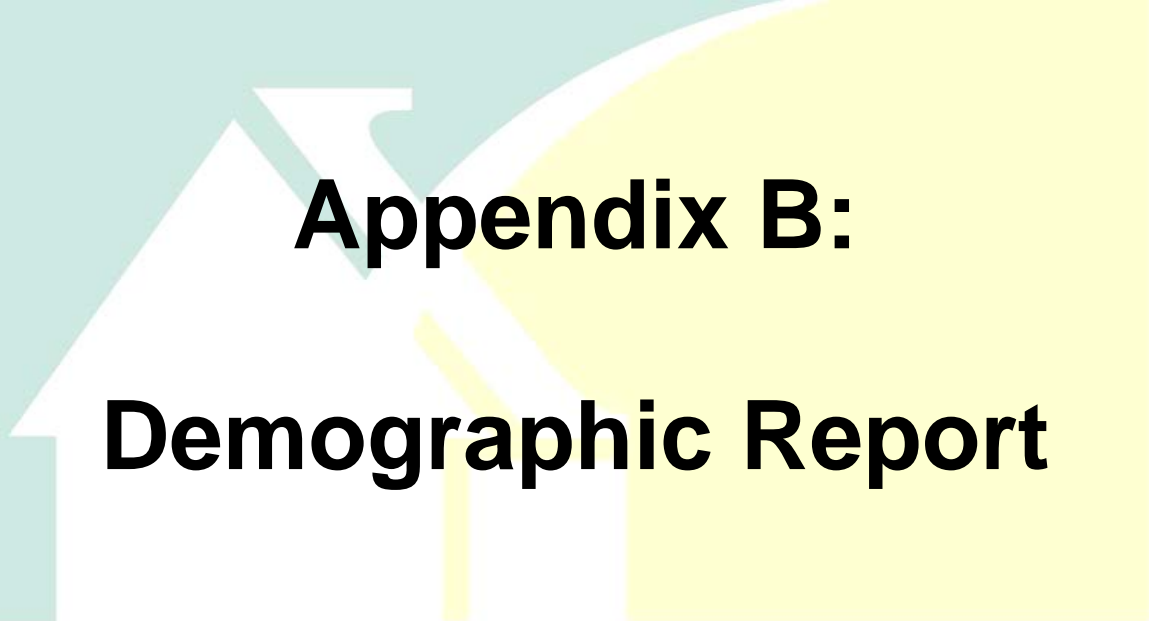
Site	Address	Analysis Geography
2	Armstrong Blvd and Sunwood Dr Ramsey, MN 55303	12 minute drive time

### **Sources and Methodology**

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Supply estimates are generated from the Census of Retail Trade, a component of the Economic Census. County-level sales tax data is allocated to low levels of geography using business sales estimates, business locations, and employee counts provided by Claritas' Business Facts® database. Supply includes all products sold at retail outlets in a specified area for a one-year period. Supply is defined as the estimated total retail sales for a retail store type or merchandise line item.

Source: Retail Market Power™ (Claritas).



**Appendix B:**  
**Demographic Report**



**Analysis Geography:** State Hwy 47 & 167th Ave  
Ramsey, MN

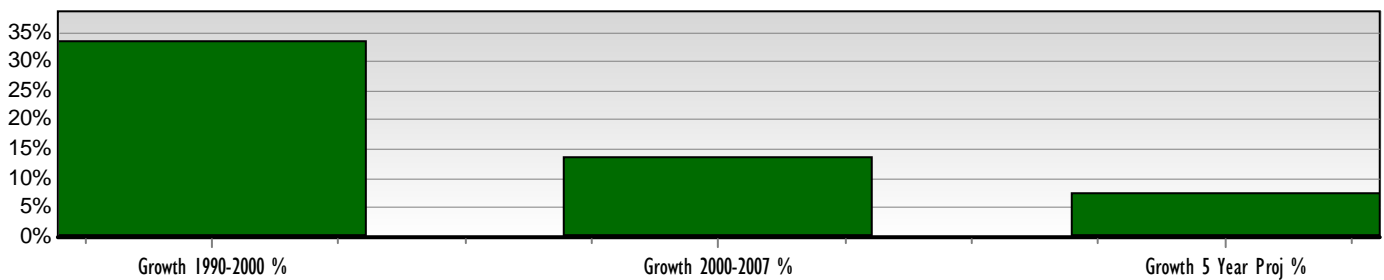
**Date:** 8/17/2008

## Population Profile

**12 Min  
Drive Time**

2012 Projection	45,230
2007 Estimate	42,128
2000 Census	37,027
1990 Census	27,743

### Population Change



## Work Place Population

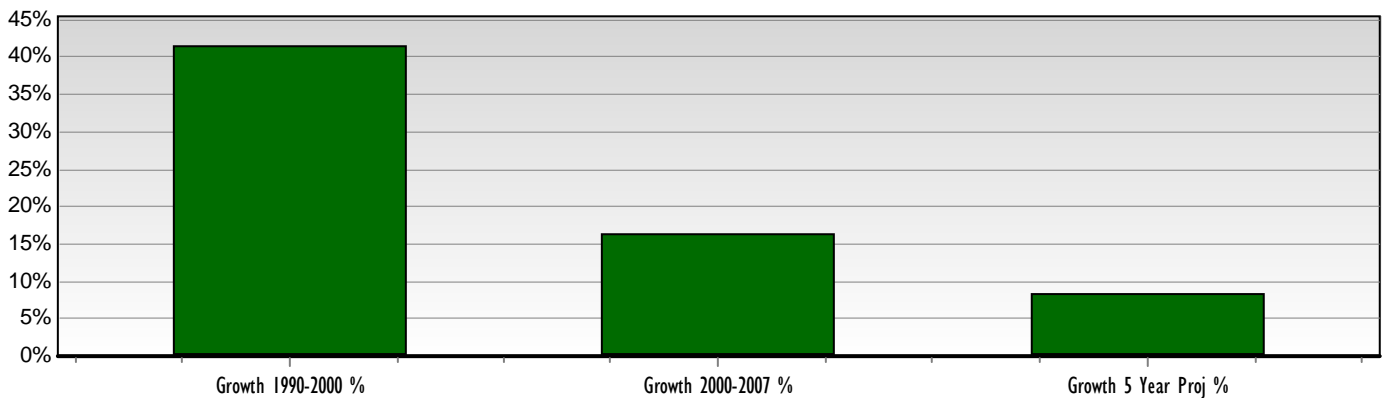
**12 Min  
Drive Time**

Total	24,557
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## Household Profile

2012 Projection	15,956
2007 Estimate	14,733
2000 Census	12,675
1990 Census	8,960

### Household Change

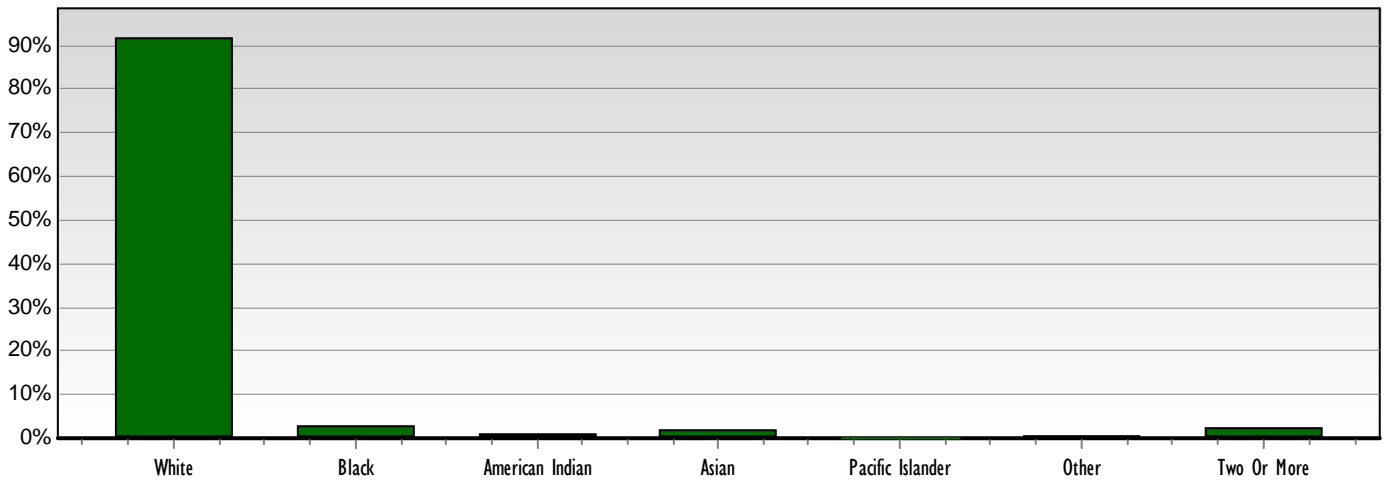


**Analysis Geography:** State Hwy 47 & 167th Ave  
Ramsey, MN

**Date:** 8/17/2008

<b>Population By Race (Current)</b>	<b>12 Min Drive Time</b>
White	38,600
Black	1,189
American Indian	306
Asian	828
Pacific Islander	7
Other	255
Two Or More	943
<b>Total Population By Race</b>	<b>42,128</b>

**Population By Race (Current)**



<b>Population By Hispanic Origin (Current)</b>	<b>12 Min Drive Time</b>
Hispanic Origin	1,088
Non Hispanic Origin	41,040

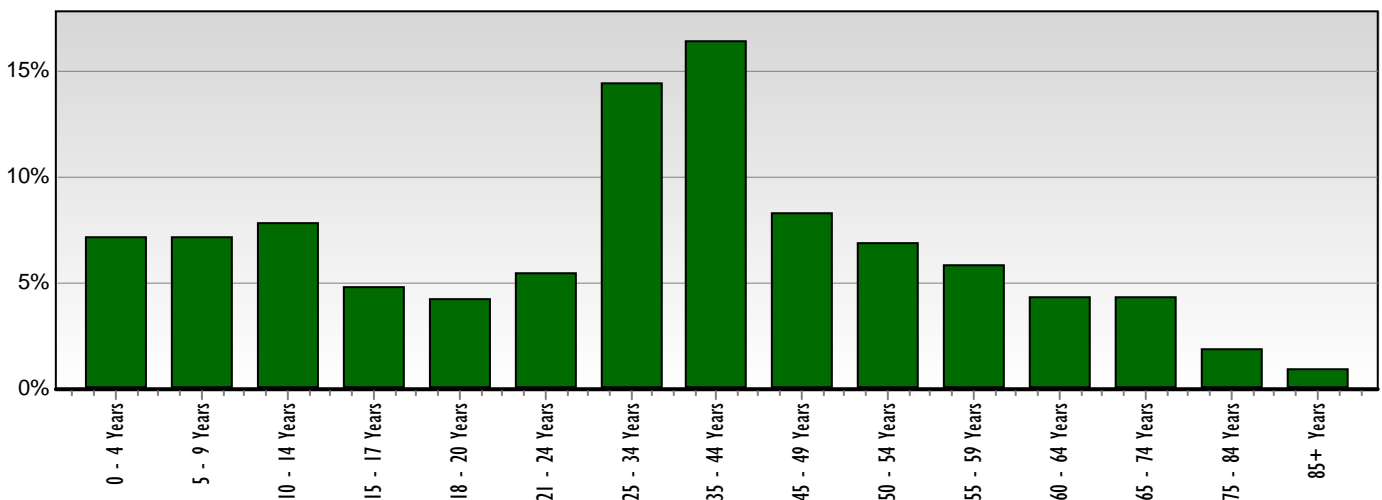
**Analysis Geography:** State Hwy 47 & 167th Ave  
Ramsey, MN

**Date:** 8/17/2008

<b>Population By Age (Current)</b>	<b>12 Min Drive Time</b>
0 to 4 years	3,019
5 to 9 years	3,027
10 to 14 years	3,292
15 to 17 years	2,037
18 to 20 years	1,777
21 to 24 years	2,293
25 to 34 years	6,071
35 to 44 years	6,914
45 to 49 years	3,494
50 to 54 years	2,910
55 to 59 years	2,462
60 to 64 years	1,818
65 to 74 years	1,840
75 to 84 years	791
85+ Years	383

<b>Total Population By Age</b>	<b>42,128</b>
Average Age	34.4
Median Age	35.0

**Population By Age (Current)**

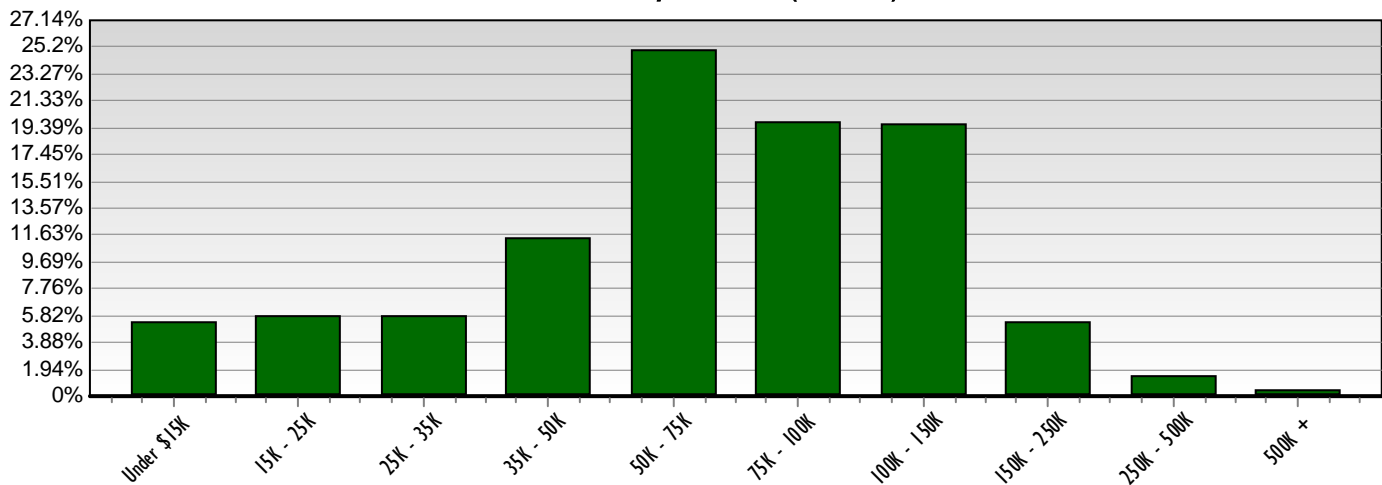


**Analysis Geography:** State Hwy 47 & 167th Ave  
Ramsey, MN

**Date:** 8/17/2008

Households By Income (Current)	12 Min Drive Time
Under \$15,000	793
\$15,000 to \$24,999	856
\$25,000 to \$34,999	852
\$35,000 to \$49,999	1,679
\$50,000 to \$74,999	3,680
\$75,000 to \$99,999	2,914
\$100,000 to \$149,999	2,888
\$150,000 to \$249,999	781
\$250,000 to \$499,999	220
\$500,000 +	70
<b>Total Households By Income</b>	<b>14,733</b>
Average Household Income	\$83,052
Per Capita Income	\$30,393
Median Household Income	\$71,827

**Households By Income (Current)**



**Analysis Geography:** State Hwy 47 & 167th Ave  
Ramsey, MN

**Date:** 8/17/2008

## Housing Units By Occupancy (Current) 12 Min Drive Time

Owner - Occupied	80.0%
Renter - Occupied	17.8%
Vacant	2.2%

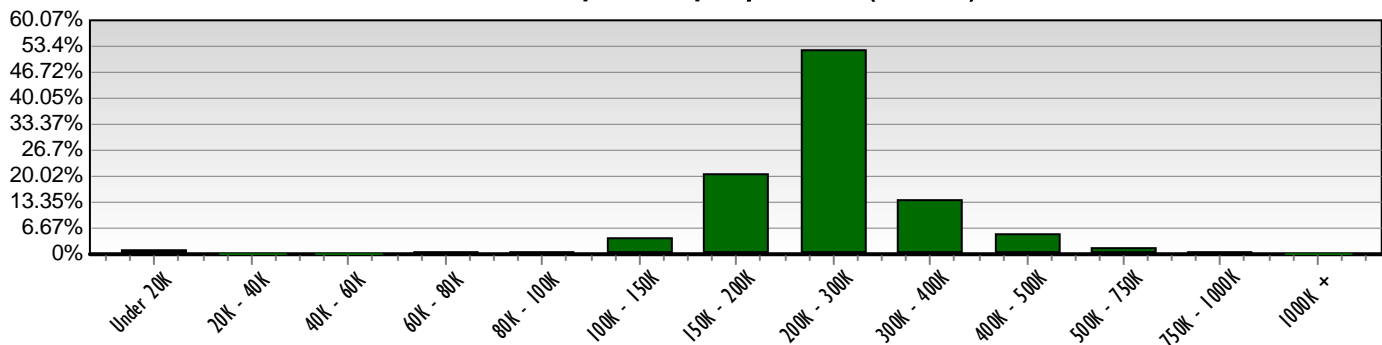
## Owner - Occupied Property Values (Current)

Under \$20,000	111
\$20,000 to \$39,999	18
\$40,000 to \$59,999	18
\$60,000 to \$79,999	43
\$80,000 to \$99,999	34
\$100,000 to \$149,999	503
\$150,000 to \$199,999	2,472
\$200,000 to \$299,999	6,308
\$300,000 to \$399,999	1,639
\$400,000 to \$499,999	625
\$500,000 to \$749,999	205
\$750,000 to \$999,999	39
\$1,000,000 +	30

**Total Owner - Occupied Property Values** 12,045

**Median Property Value** 228,066

### Owner - Occupied Property Values (Current)





**Analysis Geography:** Armstrong Blvd & Sunwood Dr  
Ramsey, MN

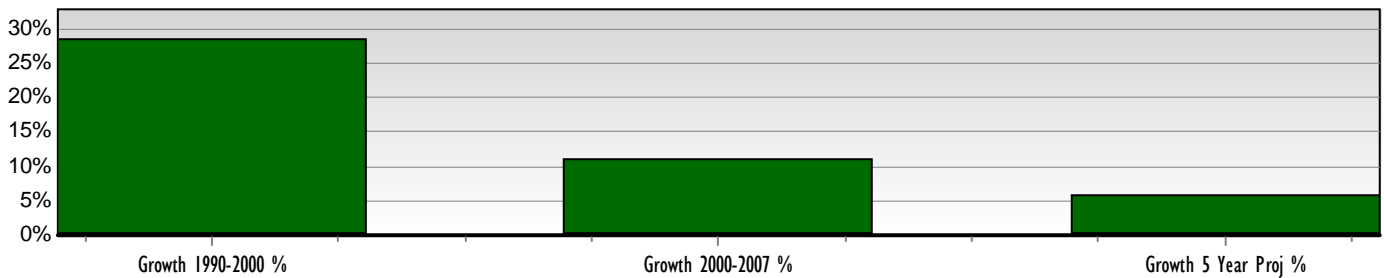
**Date:** 8/17/2008

## Population Profile

**12 Min  
Drive Time**

2012 Projection	38,802
2007 Estimate	36,651
2000 Census	32,969
1990 Census	25,670

### Population Change



## Work Place Population

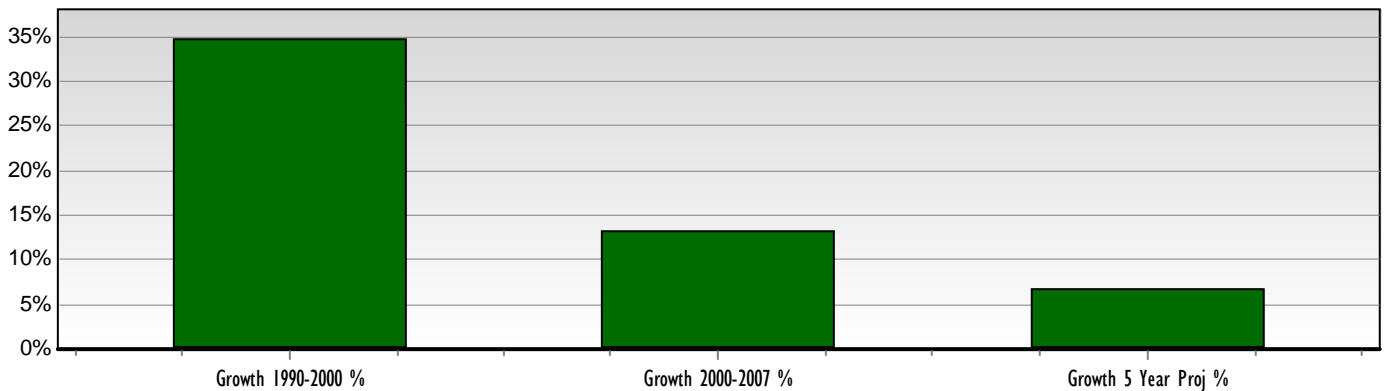
**12 Min  
Drive Time**

Total	24,390
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## Household Profile

2012 Projection	14,474
2007 Estimate	13,554
2000 Census	11,960
1990 Census	8,877

### Household Change

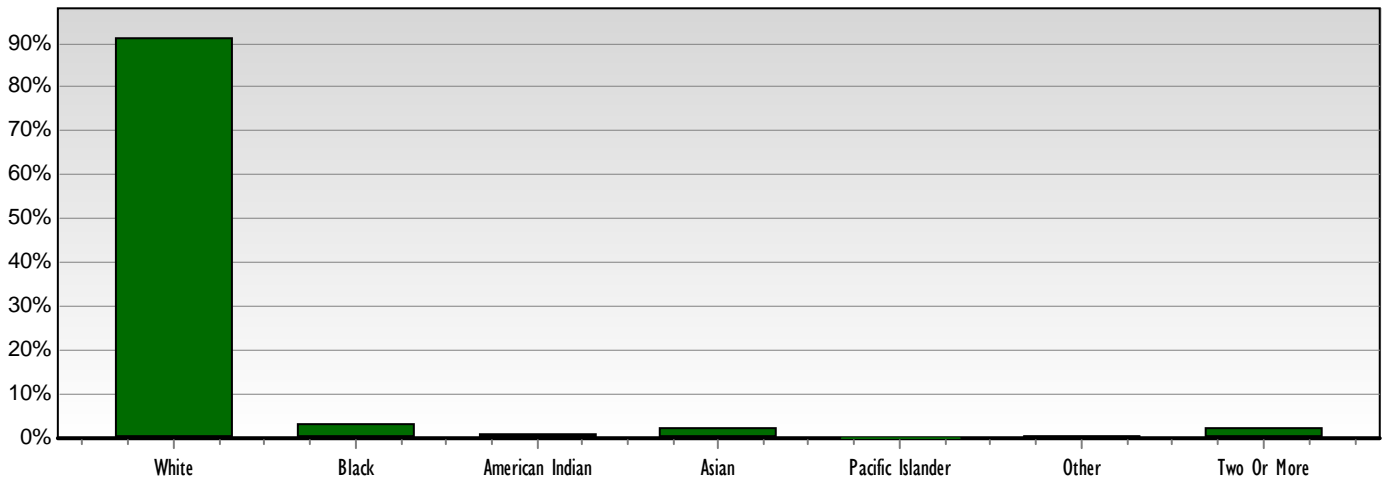


**Analysis Geography:** Armstrong Blvd & Sunwood Dr  
Ramsay, MN

**Date:** 8/17/2008

<b>Population By Race (Current)</b>	<b>12 Min Drive Time</b>
White	33,410
Black	1,101
American Indian	290
Asian	756
Pacific Islander	13
Other	232
Two Or More	849
<b>Total Population By Race</b>	<b>36,651</b>

**Population By Race (Current)**



<b>Population By Hispanic Origin (Current)</b>	<b>12 Min Drive Time</b>
Hispanic Origin	999
Non Hispanic Origin	35,652

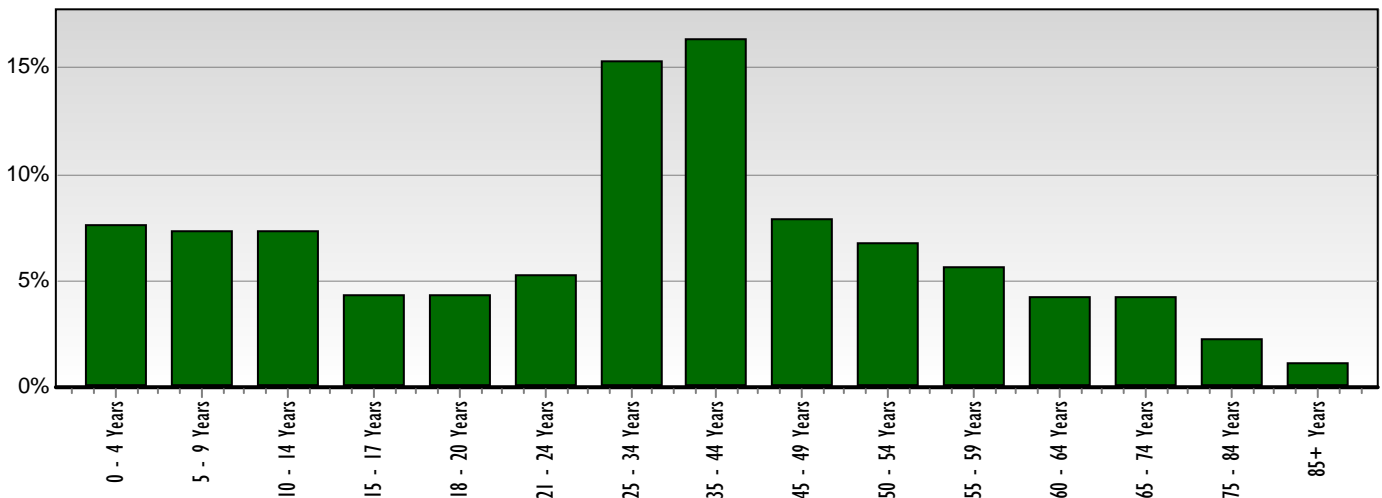
**Analysis Geography:** Armstrong Blvd & Sunwood Dr  
Ramsay, MN

**Date:** 8/17/2008

Population By Age (Current)	12 Min Drive Time
0 to 4 years	2,797
5 to 9 years	2,675
10 to 14 years	2,679
15 to 17 years	1,575
18 to 20 years	1,572
21 to 24 years	1,934
25 to 34 years	5,609
35 to 44 years	5,996
45 to 49 years	2,892
50 to 54 years	2,477
55 to 59 years	2,076
60 to 64 years	1,534
65 to 74 years	1,566
75 to 84 years	840
85+ Years	429

<b>Total Population By Age</b>	<b>36,651</b>
Average Age	34.6
Median Age	34.8

**Population By Age (Current)**

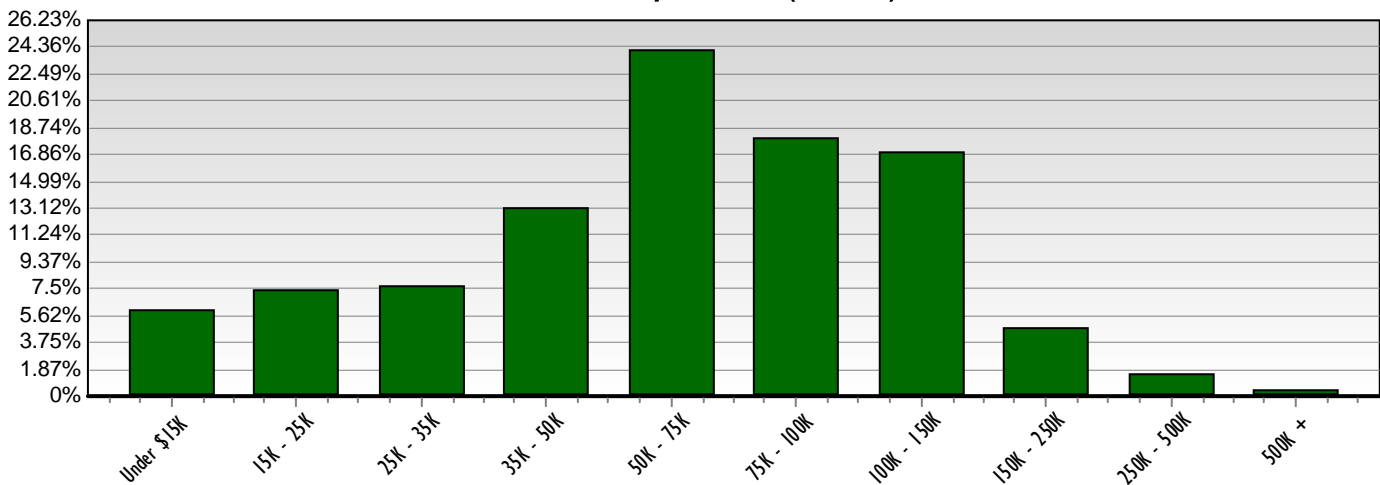


**Analysis Geography:** Armstrong Blvd & Sunwood Dr  
Ramsay, MN

**Date:** 8/17/2008

Households By Income (Current)	12 Min Drive Time
Under \$15,000	808
\$15,000 to \$24,999	997
\$25,000 to \$34,999	1,038
\$35,000 to \$49,999	1,770
\$50,000 to \$74,999	3,272
\$75,000 to \$99,999	2,446
\$100,000 to \$149,999	2,308
\$150,000 to \$249,999	634
\$250,000 to \$499,999	215
\$500,000 +	66
<b>Total Households By Income</b>	<b>13,554</b>
Average Household Income	\$78,691
Per Capita Income	\$30,604
Median Household Income	\$67,373

**Households By Income (Current)**



**Analysis Geography:** Armstrong Blvd & Sunwood Dr  
Ramsay, MN

**Date:** 8/17/2008

## Housing Units By Occupancy (Current) 12 Min Drive Time

Owner - Occupied	72.5%
Renter - Occupied	25.1%
Vacant	2.5%

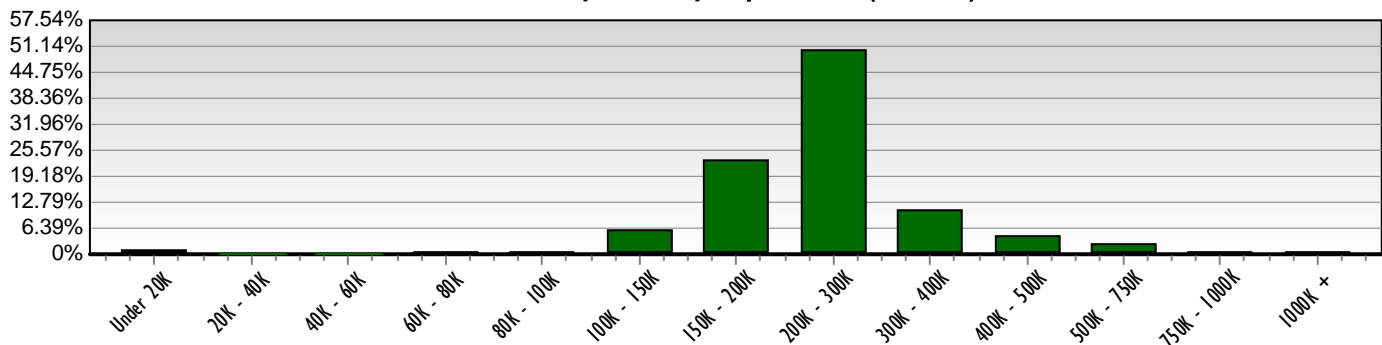
## Owner - Occupied Property Values (Current)

Under \$20,000	105
\$20,000 to \$39,999	12
\$40,000 to \$59,999	9
\$60,000 to \$79,999	34
\$80,000 to \$99,999	48
\$100,000 to \$149,999	601
\$150,000 to \$199,999	2,329
\$200,000 to \$299,999	5,051
\$300,000 to \$399,999	1,068
\$400,000 to \$499,999	466
\$500,000 to \$749,999	253
\$750,000 to \$999,999	56
\$1,000,000 +	38

**Total Owner - Occupied Property Values** **10,070**

**Median Property Value** **217,284**

## Owner - Occupied Property Values (Current)



**REPORT OF  
INSPECTION PROCEDURES AND RESULTS  
FOR  
DETERMINING QUALIFICATIONS OF A  
TAX INCREMENT FINANCING DISTRICT  
AS A REDEVELOPMENT DISTRICT**

**167<sup>th</sup> Avenue Redevelopment TIF District  
Ramsey, Minnesota**

LHB Project No. 090335

November 25, 2009



Prepared For The  
**City of Ramsey**

Prepared by



LHB, Inc.  
250 Third Avenue North, Suite 450  
Minneapolis, Minnesota 55401

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**PART 1 – EXECUTIVE SUMMARY**

**PURPOSE OF EVALUATION**

LHB was hired by the City of Ramsey to inspect and evaluate the properties within a Tax Increment Financing Redevelopment District (“TIF District”) proposed to be established by the City. The proposed TIF District is located West of Saint Francis Boulevard NW, bisected by 167<sup>th</sup> Avenue NW (Diagram 1). The purpose of LHB’s work was to determine whether the proposed TIF District meets the statutory requirements for coverage, and whether seven buildings on seven parcels, located within the proposed TIF District, meet the qualifications required for a Redevelopment District.



Diagram 1 – Proposed TIF District

## **SCOPE OF WORK**

The proposed TIF District consists of seven (7) parcels with two (2) residential and five (5) commercial structures. All of the buildings in the proposed TIF District received an on-site interior and exterior inspection on August 13 and August 14, 2009. Building code and Condition Deficiency reports are located in Appendix B.

## **CONCLUSION**

After inspecting and evaluating the properties within the proposed TIF District and applying current statutory criteria for a Redevelopment District under *Minnesota Statutes, Section 469.174, Subdivision 10*, it is our professional opinion that the proposed TIF District qualifies as a Redevelopment District.

The remainder of this report describes our process and findings in detail.

## **PART 2 – MINNESOTA STATUTE 469.174, SUBDIVISION 10 REQUIREMENTS**

The properties were inspected in accordance with the following requirements under *Minnesota Statutes, Section 469.174, Subdivision 10(c)*, which states:

### **Interior Inspection**

“The municipality may not make such determination [that the building is structurally substandard] without an interior inspection of the property...”

### **Exterior Inspection and Other Means**

“An interior inspection of the property is not required, if the municipality finds that

- (1) the municipality or authority is unable to gain access to the property after using its best efforts to obtain permission from the party that owns or controls the property; and
- (2) the evidence otherwise supports a reasonable conclusion that the building is structurally substandard.”

### **Documentation**

“Written documentation of the findings and reasons why an interior inspection was not conducted must be made and retained under section 469.175, subdivision 3(1).”

### **Qualification Requirements**

*Minnesota Statutes, Section 469.174, Subdivision 10 (a) (1)* requires two tests for occupied parcels:

#### **A. Coverage Test**

...“parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, or paved or gravel parking lots”

The coverage required by the parcel to be considered occupied is defined under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which states: “For purposes of this subdivision, a parcel is not occupied by buildings, streets, utilities, or paved or gravel

parking lots unless 15 percent of the area of the parcel contains building, streets, utilities, or paved or gravel parking lots.”

**B. Condition of Buildings Test**

...“and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;”

1. Structurally substandard is defined under *Minnesota Statutes, Section 469.174, Subdivision 10(b)*, which states: “For purposes of this subdivision, ‘structurally substandard’ shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance.”

**Definition of Substantial Renovation**

Because “Substantial renovation” can mean different things to different people, LHB has attempted to clarify exactly what we consider to be “substantial renovation” as it relates to *Minnesota Statutes, Section 469.174, Subdivision 10(a) (1)*.

- a. First we researched national standards as to how much building owners should budget for annual maintenance and repair on their buildings as a percentage of replacement cost of the building.
  1. According to the University of California “*Facilities Renewal Budget Model*” report of 1999, building owners should budget between two and three percent of current replacement value of their buildings for maintenance and repair work. This does not include routine janitorial work and routine items such as changing light bulbs and filters.
  2. According to the Building Research Board of the National Research Council, one and one-half to three percent of a building’s replacement value should be budgeted for maintenance and repair.
- b. Based on this information, LHB utilized two and one-half percent as the desired amount of maintenance and repair that should be budgeted annually to keep a building in good working condition. We recognize through experience that only a small percentage of sophisticated building owners actually budget for and spend this amount of money every year on maintenance and repair. This is because most business owners are driven by other budgetary issues and tend to neglect the building maintenance and repair line items in their annual budgets.
- c. By establishing how much a building owner should be budgeting per year for maintenance and repairs, LHB is of the opinion that we could more easily establish an amount that would be considered “substantial” in comparison. If an owner is budgeting 2.5 percent of the building’s replacement cost annually, most

business owners or home owners would have to take out a loan to cover the cost of a substantial building improvement. Assuming they had a fixed level of income to work with, they would have to keep the loan payment at a level very near the original 2.5 percent they should have been budgeting each year. In addition, they still would have to budget for the original 2.5 percent on top of the loan. In most cases, the mortgage terms would have to extend out to a point beyond the life expectancy of the building they were trying to improve, as most buildings built in the past fifty years are not designed to last beyond 40 years.

- d. Based on the calculations described above, we have defined substantial renovation for purposes of *Minnesota Statutes, Section 469.174, Subdivision 10(a)(1)*, as renovation with costs exceeding 20% of the building's replacement value.
  - e. Our goal in applying this 20% test is to provide a consistent threshold of renovation costs that must be met before we will even consider whether the building is structurally substandard within the meaning of the statute. If a building does not have building deficiencies that require renovation with costs exceeding 20% of replacement value we will not classify that building as structurally substandard. However, if a building does meet the 20% test we will not automatically classify that building as structurally substandard merely because it meets that test. A building that meets the minimum threshold test of necessitating renovation with costs exceeding 20% of replacement value will only be classified as structurally substandard if, in our professional judgment, the types of building deficiencies and the cost to correct the deficiencies satisfy the requirements of section 469.174, subd. 10(c)(1).
  - f. We do not count energy code deficiencies toward the thresholds required by *Minnesota Statutes, Section 469.174, Subdivision 10(b)*) defined as "structurally substandard", due to concerns expressed by the State of Minnesota Court of Appeals in the *Walser Auto Sales, Inc. vs. City of Richfield* case filed November 13, 2001.
2. Buildings are not eligible to be considered structurally substandard unless they meet certain additional criteria, as set forth in Subdivision 10(c) which states:

"A building is not structurally substandard if it is in compliance with the building code applicable to new buildings or could be modified to satisfy the building code at a cost of less than 15 percent of the cost of constructing a new structure of the same square footage and type on the site. The municipality may find that a building is not disqualified as structurally substandard under the preceding sentence on the basis of reasonably available evidence, such as the size, type, and age of the building, the average cost of plumbing, electrical, or structural repairs, or other similar reliable evidence."

“Items of evidence that support such a conclusion [that the building is not disqualified] include recent fire or police inspections, on-site property appraisals or housing inspections, exterior evidence of deterioration, or other similar reliable evidence.”

- g. LHB counts energy code deficiencies toward the 15 percent code threshold required by *Minnesota Statutes, Section 469.174, Subdivision 10(c)* for the following reasons:
- The Minnesota energy code is one of ten building code areas highlighted by the Minnesota Department of Labor and Industry website where minimum construction standards are required by law.
  - The index page of the 2007 Minnesota Building Code lists the Minnesota Energy Code as a “Required Enforcement” area compared to an additional list of “Optional Enforcement” chapters.
  - The Senior Building Code Representative for the Construction Codes and Licensing Division of the Minnesota Department of Labor and Industry confirmed that the Minnesota Energy Code is being enforced throughout the State of Minnesota.
  - In a January 2002 report to the Minnesota Legislature, the Management Analysis Division of the Minnesota Department of Administration confirmed that the construction cost of new buildings complying with the Minnesota Energy Code is higher than buildings built prior to the enactment of the code.
  - Proper TIF analysis requires a comparison between the replacement value of a new building built under current code standards with the repairs that would be necessary to bring the existing building up to current code standards. In order for an equal comparison to be made, all applicable code chapters should be applied to both scenarios. Since current construction estimating software automatically applies the construction cost of complying with the Minnesota Energy Code, energy code deficiencies should also be identified in the existing structures.

### **PART 3 – PROCEDURES FOLLOWED**

- A. LHB was able to schedule interior and exterior inspections for all seven buildings in the proposed TIF District on August 13 and 14, 2009. We also inspected the golf clubhouse located on parcel 9, but determined it would be more appropriate for inclusion if this were a proposed Renewal and Renovation District.

### **PART 4 – FINDINGS**

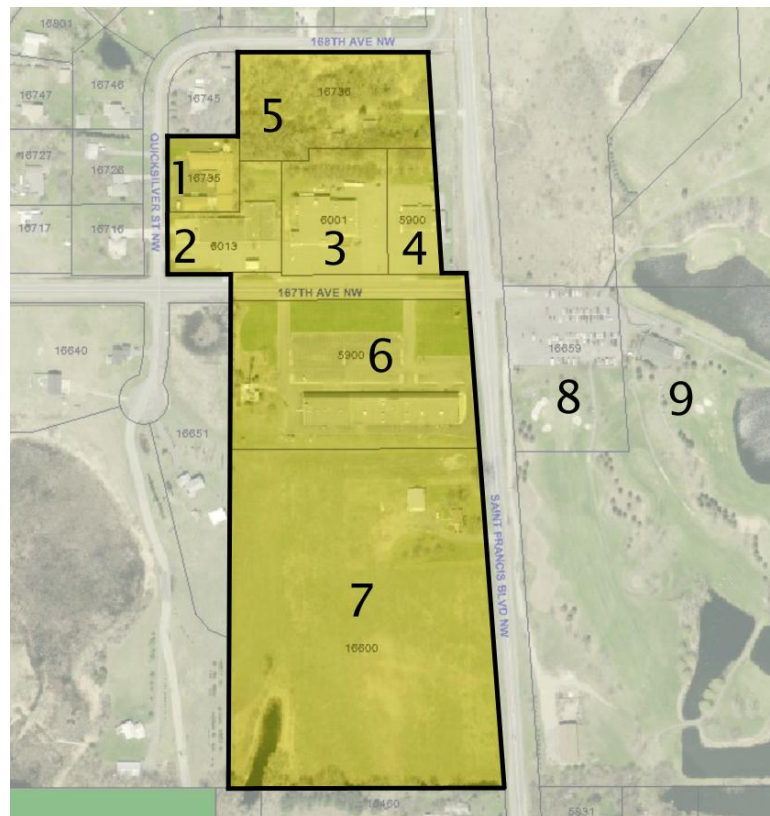
#### **A. Coverage Test**

1. The total square foot area of each parcel in the proposed TIF District was obtained from City records, GIS mapping and site verification.

2. The total square foot area of buildings and site improvements on the parcels in the proposed TIF District was obtained from City records, GIS mapping and site verification.
3. The percentage of coverage for each parcel in the proposed TIF District was computed to determine if the 15 percent minimum requirement was met. The total square footage of parcels meeting the 15 percent requirement was divided into the total square footage of the entire district to determine if the 70 percent requirement was met.

**Finding:**

The proposed TIF District met the coverage test under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which resulted in parcels consisting of 100 percent of the proposed TIF District being occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures (Diagram 2). This exceeds the 70 percent area coverage requirement for the proposed TIF District under *Minnesota Statutes, Section 469.174, Subdivision (a) (1)*.



**Diagram 2 – Coverage Diagram**

Shaded area depicts a parcel more than 15 percent occupied by buildings, streets, utilities,  
Paved or gravel parking lots or other similar structures

Note: parcel 7 includes a municipal infrastructure project that does not appear in this aerial photo.

## **B. Condition of Building Test**

### **1. Replacement Cost**

The first step in evaluating a building to determine if it is substandard to a degree requiring substantial renovation or clearance is to determine its replacement cost. This is the cost of constructing a new structure of the same square footage and type on site. Replacement costs were researched using R.S. Means Cost Works square foot models for 2009.

A replacement cost was calculated by first establishing building use (office, retail, residential, etc.), building construction type (wood, concrete, masonry, etc.), and building size to obtain the appropriate median replacement cost, which factors in the costs of construction in Ramsey, Minnesota.

Replacement cost includes labor, materials, and the contractor's overhead and profit. Replacement costs do not include architectural fees, legal fees or other "soft" costs not directly related to construction activities. Replacement cost for each building is tabulated in Appendix A.

### **2. Code Deficiencies**

The next step in evaluating a building is to determine what code deficiencies exist with respect to such building. Code deficiencies are those conditions for a building which are not in compliance with current building codes applicable to new buildings in the State of Minnesota.

*Minnesota Statutes, Section 469.174, Subdivision 10(c)*, specifically provides that a building cannot be considered structurally substandard if its code deficiencies are not at least 15 percent of the replacement cost of the building. As a result, it was necessary to determine the extent of code deficiencies for each building in the proposed TIF District.

The evaluation was made by reviewing all available information with respect to such buildings contained in City Building Inspection records and making interior and exterior inspections of the buildings. LHB utilizes the 2007 Minnesota State Building Code as the official code for our evaluations. The Minnesota State Building Code is actually a series of provisional codes written specifically for Minnesota only requirements, adoption of several international codes, and amendments to the adopted international codes.

After identifying the code deficiencies in each building, we used R.S. Means Cost Works 2009; Unit and Assembly Costs to determine the cost of correcting the identified deficiencies. We were then able to compare the correction costs with the replacement cost of each building to determine if the costs for correcting code deficiencies meet the required 15 percent threshold.

**Finding:**

Four (4) out of seven (7) buildings (57.1 percent) in the proposed TIF District contained code deficiencies exceeding the 15 percent threshold required by *Minnesota Statutes, Section 469.174, Subdivision 10(c)*. A complete Building Code and Condition Deficiency report for each substandard building in the proposed TIF District can be found in Appendix B of this report.

**3. System Condition Deficiencies**

If a building meets the minimum code deficiency threshold under *Minnesota Statutes, Section 469.174, Subdivision 10(c)*, then in order for such building to be “structurally substandard” under *Minnesota Statutes, Section 469.174, Subdivision 10(b)*, the building’s defects or deficiencies should be of sufficient total significance to justify “substantial renovation or clearance.” Based on this definition, LHB re-evaluated each of the buildings that met the code deficiency threshold under *Minnesota Statutes, Section 469.174, Subdivision 10(c)*, to determine if the total deficiencies warranted “substantial renovation or clearance” based on the criteria we outlined above.

System condition deficiencies are a measurement of defects or substantial deterioration in site elements, structure, exterior envelope, mechanical and electrical components, fire protection and emergency systems, interior partitions, ceilings, floors and doors.

The evaluation of system condition deficiencies was made by reviewing all available information contained in City records, and making interior and exterior inspections of the buildings. LHB only identified system condition deficiencies that were visible upon our inspection of the building or contained in City records. We did not consider the amount of “service life” used up for a particular component unless it was an obvious part of that component’s deficiencies.

After identifying the system condition deficiencies in each building, we used our professional judgment to determine if the list of deficiencies would total more than 20 percent of the replacement value of the building when added to the cost of total code deficiencies. For example, if a building with a replacement value of \$100,000 had 17 percent code deficiencies, we would look at the list of system condition deficiencies and make a professional judgment that the cost of fixing the system condition deficiencies would be at least \$3,000 (3 percent), in order for that building to be considered substandard.

**Finding:**

In our professional opinion, four (4) of the seven (7) buildings (57.1 percent) in the proposed TIF District are structurally substandard to a degree requiring substantial renovation or clearance, because of defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection

including adequate egress, layout and condition of interior partitions, or similar factors which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance.

**C. Distribution of substandard structures**

Much of this report has focused on the condition of individual buildings as they relate to requirements identified by *Minnesota Statutes, Section 469.174, Subdivision 10*. It is also important to look at the distribution of substandard buildings throughout the geographic area of the proposed TIF District (Diagram 3).

**Finding:**

The substandard buildings are reasonably distributed throughout the geographic area of the proposed TIF District.

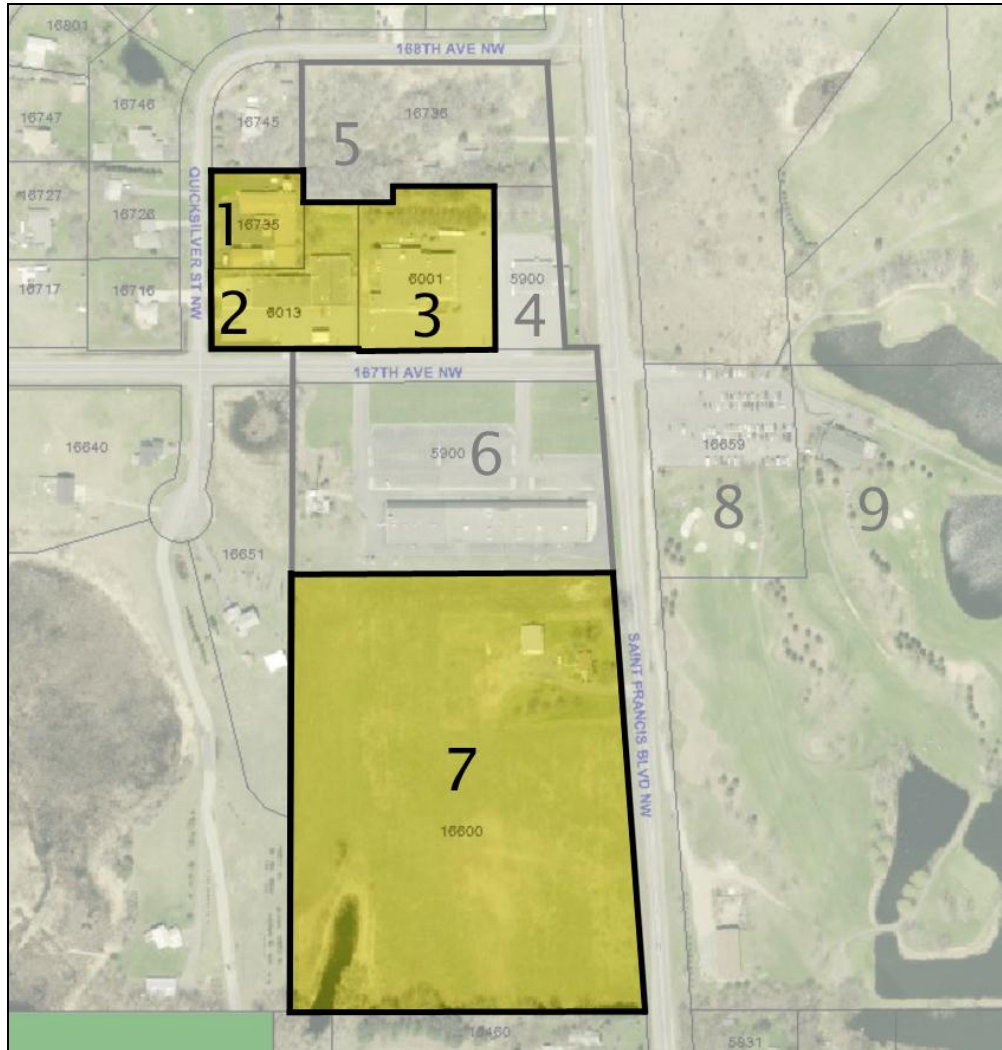


Diagram 3 – Substandard Buildings  
Shaded area depicts parcels with substandard buildings

## **PART 5 - TEAM CREDENTIALS**

### ***Michael A. Fischer, AIA LEED AP - Project Principal/TIF Analyst***

Michael has nineteen years of architectural experience as project principal, project manager, project designer and project architect on municipal planning, educational, commercial and governmental projects. He is a Vice President at LHB and currently leads the Community Design Group in LHB's Minneapolis office. Michael completed a two-year Bush Fellowship at the Massachusetts Institute of Technology in 1999, earning Masters Degrees in City Planning and Real Estate Development. Michael has served on over 35 committees, boards and community task forces, including a term as City Council President and Chair of the Duluth/Superior Metropolitan Planning organization. He is currently a Planning Commissioner in Edina, Minnesota. He was one of four architects in the country to receive the National "Young Architects Citation" from the American Institute of Architects in 1997.

### ***Stephen Schuller– Project Manager/Inspector***

Steve's more than 30 years of architectural work is complemented by project management, land development, and home building experience. For 15 years, he was a partner in McKeon-Schuller, Inc., a Rochester, Minnesota-based firm with a range of projects from housing to commercial buildings. Steve was also a partner in Five Star Homes, constructing townhomes and custom residences. Steve's extensive knowledge of both housing design and construction gives him an advantage in his current role as a project manager at LHB.

### ***Lydia Major, MLA, ASLA – GIS/Mapping***

Lydia recently joined LHB's Urban Design and Planning group, bringing with her a passion for design that benefits the client, the community, and the environment. Her experience includes designing and drafting commercial and residential properties at a variety of scales. Lydia integrates her skills with AutoCAD, ArcGIS, and the Adobe Creative Suite to produce plans, color renderings, booklets, and other presentation materials. Communication is a critical component in all projects, and Lydia's uses her education as a writer to create compelling project documents, including proposals, requests for variance, and other public-relations materials.

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## **APPENDICES**

APPENDIX A	Property Condition Assessment Summary Sheet
APPENDIX B	Building Code and Condition Deficiencies Reports
APPENDIX C	Property Condition Assessment
	Building Replacement Cost Reports
	Code Deficiency Cost Reports
	Photographs

**APPENDIX A**

**Property Condition Assessment Summary Sheet**

## **APPENDIX B**

### **Building Code and Condition Deficiencies Reports**

## **APPENDIX C**

**Property Condition Assessments  
Building Replacement Cost Reports  
Code Condition Cost Reports  
Photographs**

**167th Avenue Watermain Extension**  
**South Side**  
**City of Ramsey**  
**October 6, 2011**

**TOTAL** **\$144,259.48**

**TOTAL W/ 25% CONTINGENCY** **\$180,324.35**  
 167th Avenue Watermain Extension

BID ITEM	QUANTITY	UNIT	UNIT PRICE	AMOUNT
<b>REMOVALS:</b>				<b>\$58,435.00</b>
UTILITY DEWATERING	1	LS	<u>\$30,000.00</u>	<u>\$30,000.00</u>
REMOVE BITUMINOUS PAVEMENT	120	SY	<u>\$5.00</u>	<u>\$600.00</u>
SAWCUT PAVEMENT (FULL DEPTH)	100	LF	<u>\$2.35</u>	<u>\$235.00</u>
REMOVE CONCRETE CURB & GUTTER	0	LF	<u>\$5.00</u>	<u>\$0.00</u>
EXPORT UNSUITABLE SOILS (LV)	1800	CY	<u>\$7.00</u>	<u>\$12,600.00</u>
TRAFFIC CONTROL	1	LS	<u>\$5,000.00</u>	<u>\$5,000.00</u>
MOBILIZATION	1	LS	<u>\$10,000.00</u>	<u>\$10,000.00</u>
<b>EROSION CONTROL AND TURF RESTORATION:</b>				<b>\$19,787.48</b>
SILT FENCE - TYPE MACHINE SLICED	550	LF	<u>\$2.50</u>	<u>\$1,375.00</u>
IMPORT GRANULAR BORROW (CV)	1800	CY	<u>\$10.00</u>	<u>\$18,000.00</u>
MULCH MATERIAL TYPE 3	0.7	TON	<u>\$156.00</u>	<u>\$109.20</u>
DISK ANCHORING	0.34	ACRE	<u>\$52.00</u>	<u>\$17.68</u>
COMMERCIAL FERT ANALYSIS (22-5-10)	102	POUND	<u>\$0.40</u>	<u>\$40.80</u>
SEED MIXTURE 328	68	POUND	<u>\$2.60</u>	<u>\$176.80</u>
SEEDING (W/ 4" TOPSOIL)	0.34	ACRE	<u>\$200.00</u>	<u>\$68.00</u>
<b>WATERMAIN:</b>				<b>\$61,174.00</b>
6" WATERMAIN DUCTILE IRON CLASS 53	20	LF	<u>\$30.00</u>	<u>\$600.00</u>
8" WATERMAIN DUCTILE IRON CLASS 52	80	LF	<u>\$32.00</u>	<u>\$2,560.00</u>
12" WATERMAIN DUCTILE IRON CLASS 52	752	LF	<u>\$42.00</u>	<u>\$31,584.00</u>
8" GATE VALVE & BOX	4	EACH	<u>\$1,400.00</u>	<u>\$5,600.00</u>
12" GATE VALVE & BOX	1	EACH	<u>\$2,500.00</u>	<u>\$2,500.00</u>
INSTALL HYDRANT	2	EACH	<u>\$2,500.00</u>	<u>\$5,000.00</u>
WATERMAIN FITTINGS	2900	POUND	<u>\$2.70</u>	<u>\$7,830.00</u>
6" VALVE & BOX	2	EACH	<u>\$1,000.00</u>	<u>\$2,000.00</u>
WET TAP W/ 12" VALVE	1	EACH	<u>\$3,500.00</u>	<u>\$3,500.00</u>

167th Avenue Watermain Extension

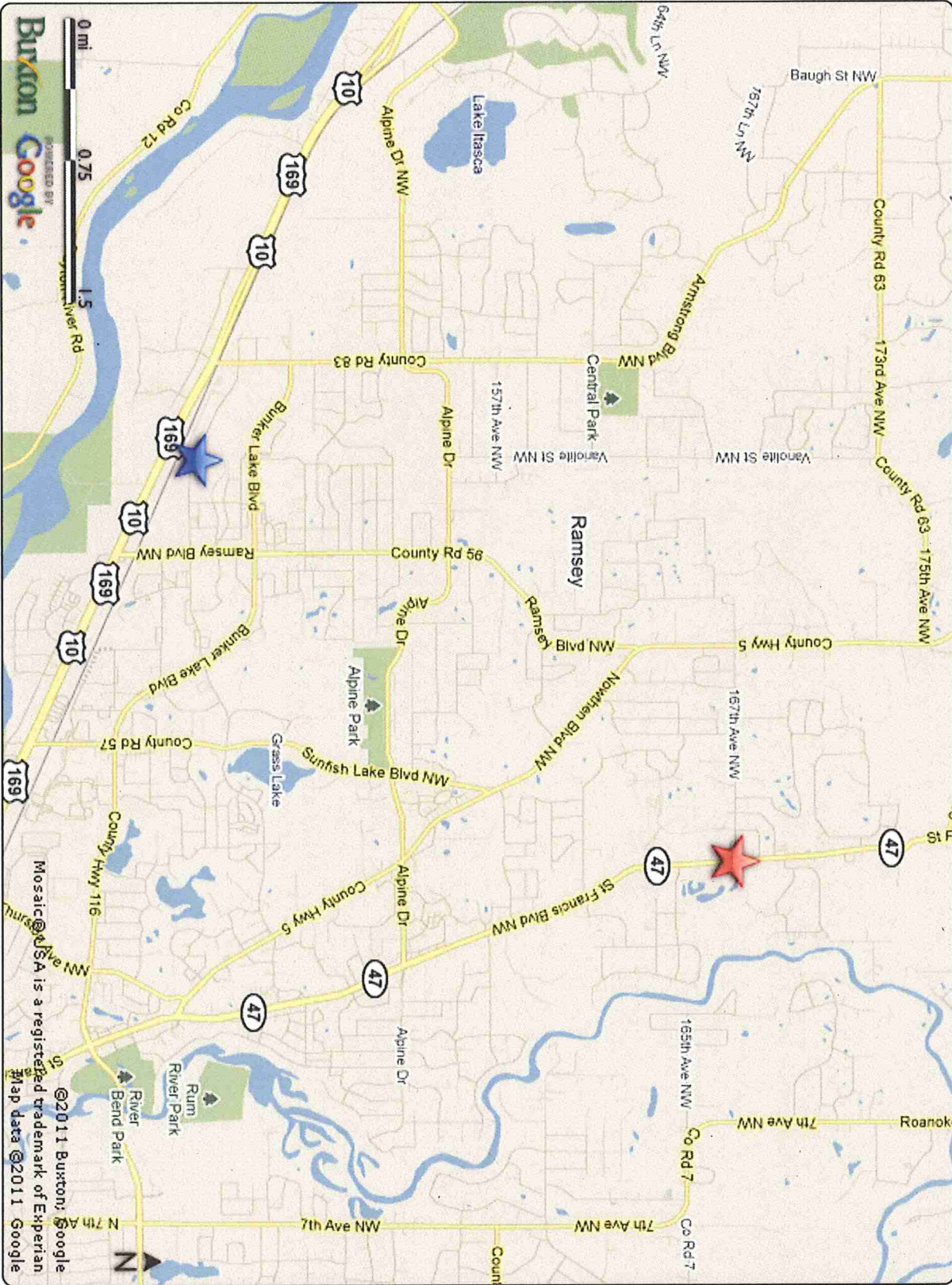
BID ITEM	QUANTITY	UNIT	UNIT PRICE	AMOUNT
<b>PAVEMENT:</b>				<b>\$4,863.00</b>
SUBGRADE PREP	0	RS	<u>\$500.00</u>	<u>\$0.00</u>
AGGREGATE BASE - CLASS 5 (6")	45	TON	<u>\$16.00</u>	<u>\$720.00</u>
BITUMINOUS BASE COURSE (LVNW35030B) (2 1/2")	20	TON	<u>\$75.00</u>	<u>\$1,500.00</u>
BITUMINOUS WEAR COURSE(MVWE35035C) (1 1/2")	15	TON	<u>\$85.00</u>	<u>\$1,275.00</u>
BITUMINOUS TACK COAT	6	GAL	<u>\$3.00</u>	<u>\$18.00</u>
CONCRETE VALLEY GUTTER	0	SY	<u>\$46.00</u>	<u>\$0.00</u>
B612 CONCRETE CURB	0	LF	<u>\$9.40</u>	<u>\$0.00</u>
6" CONCRETE DRIVEWAY	0	SY	<u>\$37.00</u>	<u>\$0.00</u>
REPLACE SIGNS	30	SF	<u>\$33.00</u>	<u>\$990.00</u>
STRIPING 4" SOLID WHITE EPOXY	0	LF	<u>\$0.20</u>	<u>\$0.00</u>
SOD	120	SY	<u>\$3.00</u>	<u>\$360.00</u>
			<b>TOTAL AMOUNT:</b>	<b><u>\$144,259.48</u></b>

No Site Selected



Sites

- Site1
- Site1 -12 Minute Drive Time
- Site2
- Site2 -12 Minute Drive Time



No Site Selected

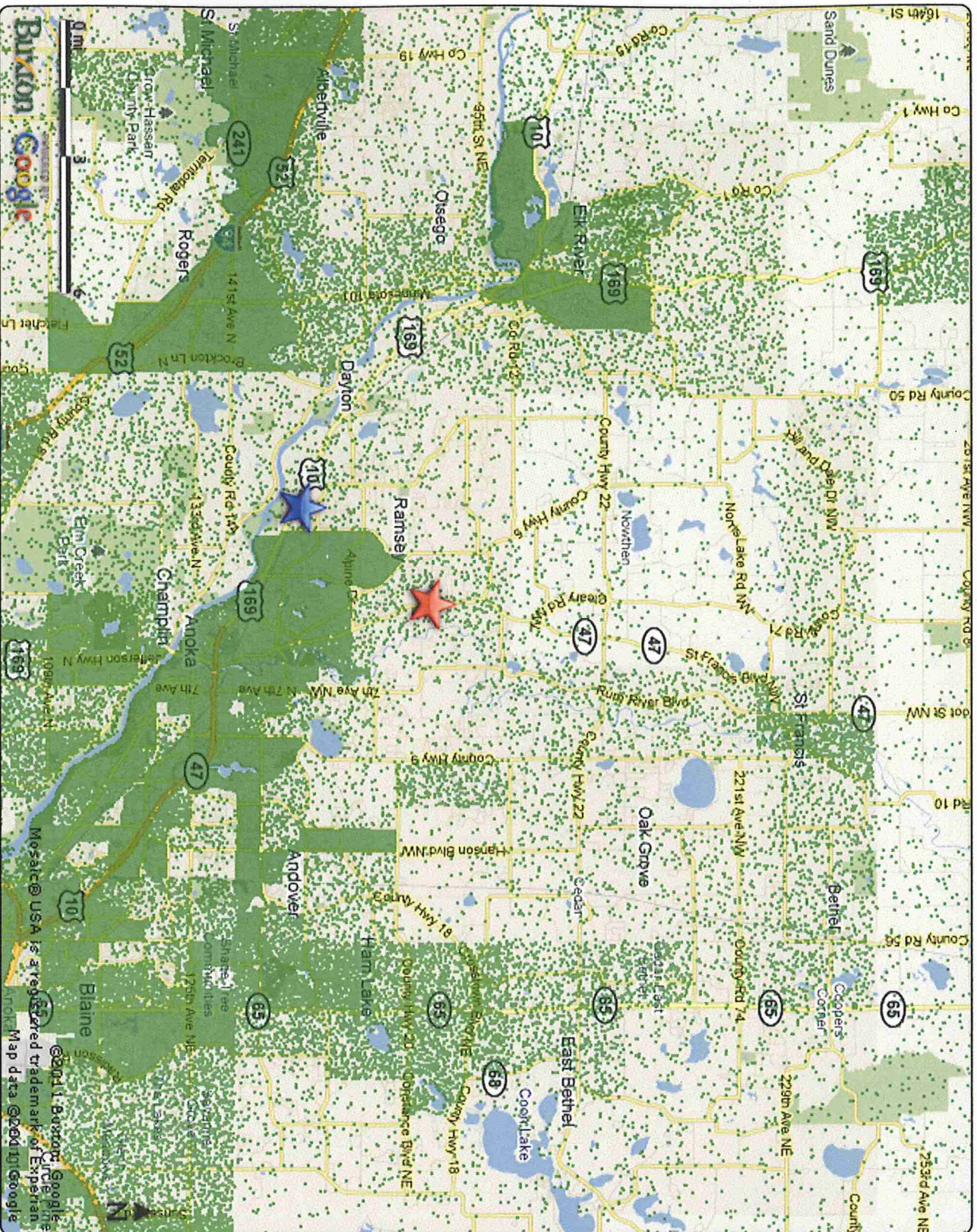


**Sites**

- Site1
- Site1 - 12 Minute Drive Time
- Site2
- Site2 - 12 Minute Drive Time

**Dot Densities**

- Daytime Population
- Daytime Population



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## Overview

A sales gap analysis is a method used to estimate how well a community or trade area meets the retail needs of its residents. Sales gap analysis involves the following steps:

1. First, by using a defined trade area it estimates the amount of money people in it are likely to spend on retail goods or at stores, which will be referred to as potential sales.
2. It then measures the difference between the potential sales and the actual retail sales captured by the community's businesses. If residents are spending more than local businesses capture, it means that they are most likely shopping outside the community or trade area, meaning there is sales leakage. Alternatively, if local businesses are selling more than residents are spending, the community has a sales surplus.

In many cases, a sales leakage suggests that there is unmet demand in the community for the product/service or store-type being measured and that the community or trade area can therefore most likely support additional store space of that type of business. If there is enough demand the community may be able to support an additional store(s).

In some instances, leakage does not translate into opportunity. While a sales leakage suggests that there is unmet demand in the community, it does not necessarily mean that the community can support additional businesses. For example, there could be a strong competitor in a neighboring community that is so popular that a new business would not be able to compete. There could also be a cultural reason why local customers might not be likely to patronize certain types of retail, despite the presence of sufficient sales potential. Or, there could be any number of other causes of why the existence of a sales leakage might not necessarily translate into a business opportunity.

Similarly, a sales surplus does not necessarily mean that a community cannot support additional businesses. Many communities have become well known within their regions for having a strong cluster of home furnishings stores, restaurants, antiques, or other specialties that attract shoppers from a broad geographic area. The trade area for these stores will thus be larger than those of other local retailers. Having established regional dominance in a niche, they are often able to attract even more customers from that region, and therefore to support additional businesses within those categories or related categories.

For these reasons the sales gap analysis should be used as a guide and not a final answer to indicate unconditional opportunity or the lack thereof. By combining the analysis with the knowledge of local norms, trends, and other retail and customer analytics, one can identify the retail needs of the trade area.

## Sales Gap Index

A sales gap index is used to compare the strengths and weaknesses of a community's retail market. The index provides a relative comparison of leakage/surplus across all categories of products or store-types. It is calculated by dividing actual sales by sales potential. If the index is greater than 1 that means the trade area is attracting retail dollars from outside the trade area. In contrast, if the index is less than 1 there is sales leakage, which indicates retail dollars are being spent outside the trade area.

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## Methodology

### Supply Side Estimates

The basis for the supply side sales estimates is the Census of Retail Trade conducted by the economic census, a division of the U.S. Census Bureau.

#### Retail Store Type Supply:

The source of this data is the Census of Retail Trade (CRT). The CRT data is a survey of retail store sales, employment, and wages. Since this is a survey done once every five years, survey results combined with employment and wage data from the Quarterly Census from the Bureau of Labor Statistics (BLS) are used to update the estimates annually. A national level business database is then used to allocate county level data down to low levels of geography (Census Block Groups) resulting in Block Group level sales estimates by North American Industry Classification code (NAICS). NAICS code translates into retail store type.

#### Merchandise Line Item Supply:

The source of this data is the Census of Retail Trade (CRT). The CRT data is a survey of retail store sales, employment, and wages. Since this is a survey done once every five years, survey results combined with employment and wage data from the Quarterly Census from the Bureau of Labor Statistics (BLS) are used to update the estimates annually. A national level business database is then used to allocate county level data down to low levels of geography (Census Block Groups) resulting in Block Group level sales estimates by North American Industry Classification code (NAICS). NAICS code only identifies the kind of store type, not exactly what is sold. So the NAICS are then broken down to Merchandise Line Items using proportions derived from census data. The Merchandise Line Item results from aggregating those values after the proportions are applied to each retail store type which has some percentage of sales of that line item.

### Demand Side Estimates

The basis for the demand side estimates is the Consumer Expenditure Survey issued by the Bureau of Labor Statistics. The Consumer Expenditure Survey collects household expenditure information on over 350 expenditure items.

#### Retail Store Type Demand:

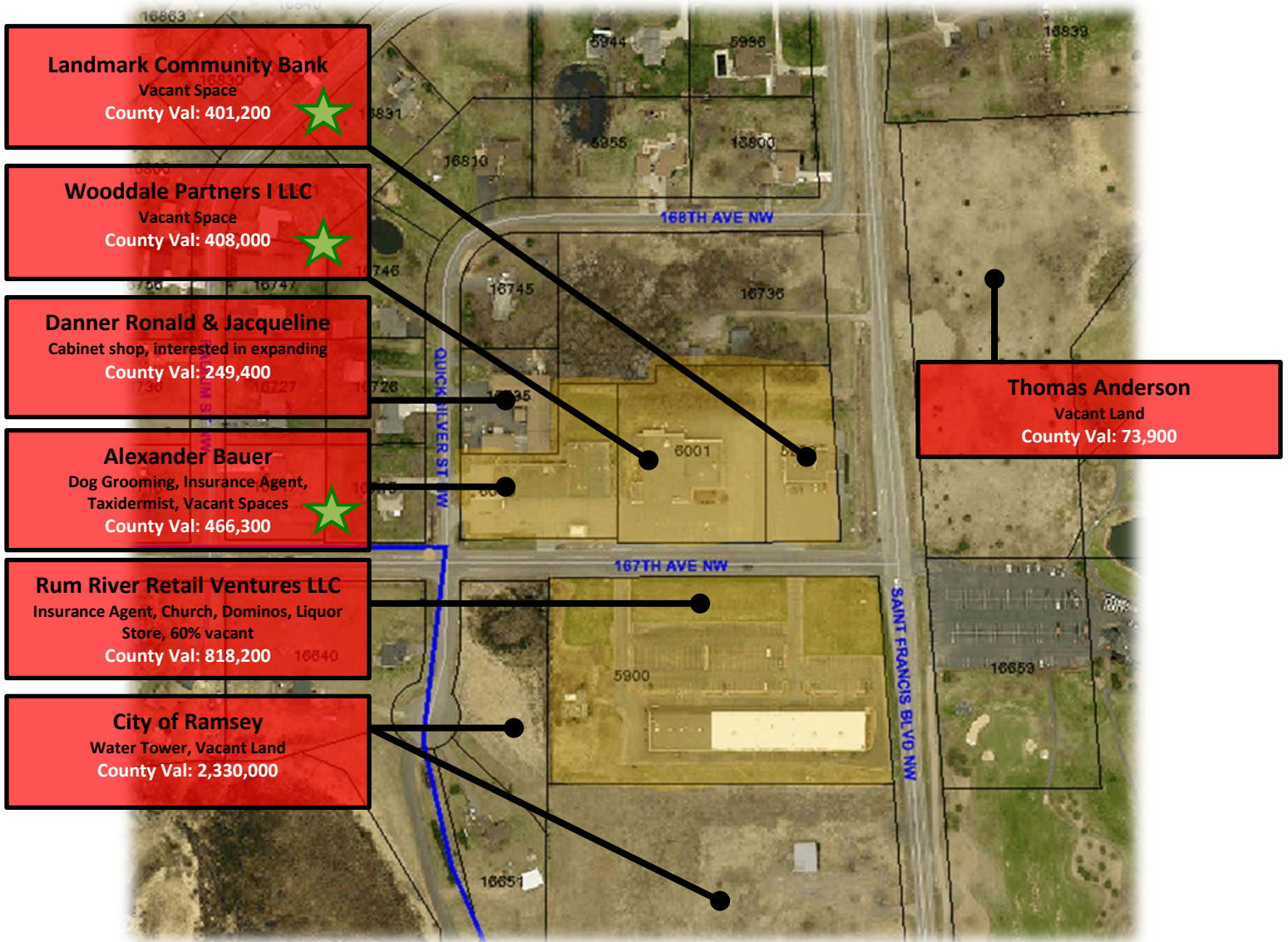
The source of this data is the BLS Consumer Expenditure Survey (CEX). This is a survey of households and what they buy in terms of line items, not necessarily where the items are purchased. CEX expenditure categories are mapped to Merchandise Line Items. This gives us potential expenditures for Merchandise Line Items by geographic area regardless of where the consumers make their purchases. The Merchandise Line Items are then allocated into NAICS categories using ratios estimated from the CRT. This operation is like a reverse operation to the method of turning Retail Store Type sales into Merchandise Line Items for the purposes of estimating "Merchandise Line Item Supply."


#### Merchandise Line Item Demand:

The source of this data is the BLS Consumer Expenditure Survey (CEX). This is a survey of households and what they buy in terms of line items, not necessarily where the items are purchased. CEX expenditure categories are mapped to Merchandise Line Items. This gives us potential expenditures for Merchandise Line Items by geographic area regardless of where the consumers make their purchases.

# 167<sup>TH</sup> AVE NW AND HIGHWAY 47

## FACT SHEET



 Recently or currently expressed interest in selling

- This is not a TIF district. Yes, there could be a TIF District (will confirm with consultant)
- No City sewer, there is water. Sewer cost for special service are is estimated at 1.3M
- Bauer property is not officially up for sale yet, will be in the coming weeks, is estimated to list at \$550,000
- Entire project value \$2,167,600 (Yellow)

### PREVIOUS STUDIES/RESEARCH

- McCombs Group Market Study (2003)
- HKGi Master Plan Concepts (2004)
- Comprehensive Plan Amendment (2004-not adopted)
- Buxton Retail Study (2008)
- Buxton Retail Study Refresh (2011)

**Economic Development Authority (EDA)**

**4.3.**

**Meeting Date:** 01/10/2013

Submitted For: Patrick Brama

By: Patrick Brama, Administrative Services

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Title:

2013 Annual EDA Business Expo; and Consideration of Annual Outdoor Expo/Event (RV)

Background:

Annually, the Ramsey EDA hosts a Business Expo. Preparations for the 2013 Ramsey Business Expo are beginning. Saturday, May 4, 2013 was selected as the proposed event date at the December EDA meeting. Staff has secured the Fountains of Ramsey as a venue.

In addition to the traditional annual Business Expo, Staff was directed to contact local RV dealerships and gauge what level of interest existed to join the existing Business Expo.

In summary, Staff has received input from RV dealerships (4 of 5) indicating they would prefer an event that would not require them to leave their place of business (generally speaking).

EXAMPLE:

"The Great Outdoors Sale Extravaganza of Ramsey." Each participating business would provide free food or give aways to attract customers. The Ramsey EDA would participate by coordinating regional advertising/marketing and organizing participating businesses. Businesses could include RV, power sport, trailer, boat and golf cart dealerships.

The purpose of this case is to consider the traditional Ramsey Business Expo's future and a potential new event (The Great Ramsey Outdoors Sale Extravaganza\*)

\*Name subject to change

Observations:

Below is background information on the annual EDA Business Expo:

- The EDA allocates \$3,500 to the Business Expo and historically spends about a little over \$2,000.
- Revenues are typically about \$1,500 (about -\$500 net per year)
- Attendance to the event is about 300-400 people
- Venue has been the Fountains of Ramsey since 2010 (three years)
- Exhibitors have ranged from 45-50
- Over the past four years, it has become increasingly challenging to "fill the room" with true business exhibitors. The number of "craft/merchant" exhibitors has increased. See attached historical registration for reference.
- Staff has received a "fair to good" opinion and reaction to this event from the public and vendors. No official survey was conducted in 2012. In 2011, 1/3 of exhibitors responded to a survey--overall, reactions were "fair to good."

Below are changes that will (could) effect the 2013 EDA Business Expo:

- Parting ways with the Environmental Expo  
Normally, the EDA and Environmental Expos are combined into one event. Beginning in 2013, the Environmental Expo will be joining the Happy Days Expo. Therefore, the EDA business Expo will become a stand alone event. Which has (or will likely have) the following effects:

--Increased expenses (about \$3,500); no longer splitting marketing/ mailing with Environmental Expo

- Reduced foot traffic; no longer getting cross over traffic from Environmental Expo
- Conceivably, less interest from exhibitors to participate (less foot traffic)
- Revenues will remain the same (about \$1,500), which means this event is still financially viable

- Potentail RV/Great Outdoors Sale Extravaganza

Such an effort would require a new budget and allocation of Staff resources.

--Estimated cost: \$3,000-4,000 (regional group marketing, mailing, printing, etc.)

--Estimated revenue: \$750-\$1,500; about \$100-200 per participating business

--NET -\$2,000 to -\$2,850 (estimated), falls within \$3,500 budget

--More detailed information regarding input from RV dealerships will be provided at the EDA meeting

Today, the City's existing financial and human resources are insufficient to conduct both events. With the above information in mind, the EDA is faced with a decision between the traditional EDA business expo and the creation of a new event (Great Outdoors Sale Extravaganza of Ramsey).

Funding Source:

Staff Recommendation:

The EDA has a few options to consider:

### **1. Continue Traditional Annual Expo**

- *Positive Considerations:*

- From a financial perspective, this event is safe/not risky and should fall within budget.
- "Brand Recognition." Because the annual expo is a tradition, many people look forward to it, understand what it is, expect it, etc. "Brand Recognition" is something that is hard to come by; and is hard to put a price on.
- Overall, Staff is comfortable with this event and has established efficiencies due to repetition (not re-creating the wheel each year).
- Meets previous EDA direction and expectations
- Historically, a fairly well-received event

- *Negative Considerations:*

- Attendance and feedback regarding the Business Expo has been *good*, but not *great* (like other EDA events)
- A significant level of Staff time is required to carry out this event
- With the departure of the Environmental Expo, it is likely participation and attendance will drop (mildly)
- It is becoming challenging to fill all 50 available exhibitor stalls with non-craft/merchant businesses.
- Duplication of events: Happy Days Business Expo

### **2. Take on a new Event: The Great Outdoors Sale Extravaganza of Ramsey** -drop traditional expo

- *Positive Considerations:*

- Meets previous EDA direction (and City Council) to recognize and support Ramsey's Outdoor Industries (e.g. RV expo).
- It is estimated, less Staff resources would be required to carry out this event (in comparison to the Business Expo); which would free up resources to concentrate on other EDA priorities.
- Natural Timing (Business Expo):  
With the departure of the Environmental Expo in 2013, consideration of Business Expo exhibitor trends over the past few years and recognizing Ramsey has two existing Business Expos--2013 may warrant consideration of a new event.

- *Negative Considerations:*

- ● From a financial perspective, this event more risky than the traditional Business Expo. Staff can only

estimate costs and revenues. There is a chance this event could go over budget.

- No "Brand Recognition." This would be a new event, and it would probably take 2-3 years to see its full potential; and subsequently it's value (foot traffic, vendor participation, etc.).
- Learning Curve. Because this is a new event, Staff (and participants) would experience a learning curve. Meaning, year one may yield unforeseen challenges.
- Overall Risk. There are a number of unknowns with this event. Conceivably, this event could be a failure.
- Negative reaction from traditional Business Expo attendees and exhibitors.

### **3. Alternative Direction**

- Staff would standby for an alternative EDA direction (not provided above).

EDA Action:

Direct Staff to move forward with:

A. Traditional Business Expo

B. Develop a new event; which would entail coordinating a regional marketing campaign and include outdoor industries located in Ramsey

C. Alternative direction

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#### Attachments

Business Expo Registration (09 to 12)

Mock Flyer

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#### Form Review

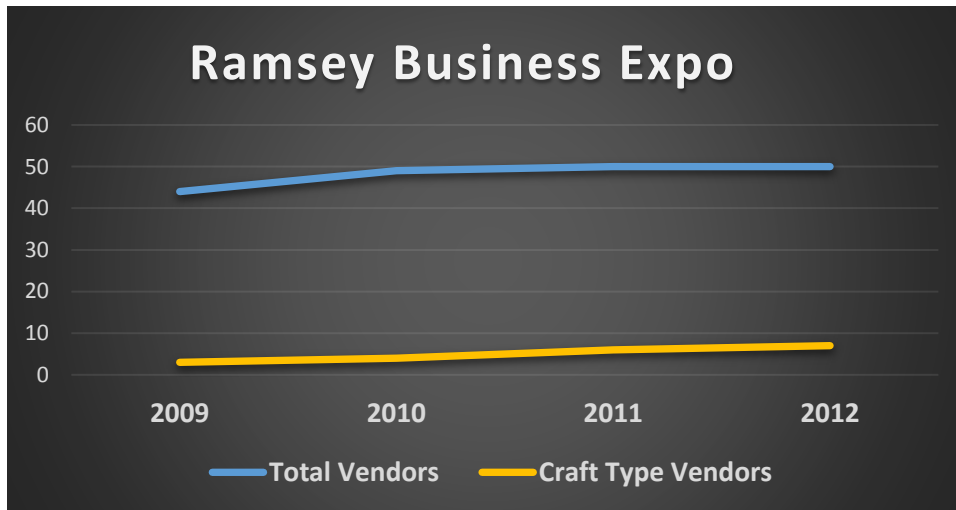
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Kurt Ulrich	Kurt Ulrich	01/03/2013 04:41 PM
Form Started By: Patrick Brama		Started On: 12/28/2012 04:17 PM
	Final Approval Date: 01/03/2013	

# Business Expo Registrations: 2009 - 2012

2012	2011	2010	2009
Performance Plus Garage Door	1. Greater Midwest Realty	Oakwood Insurance	Accent Precision Wood Products
Mary Kay Cosmetics	2. Herbalife Independent Distributor	Matasovsky Insurance and Financial	Ace Solid Waste
Air Comfort Htg & A/C	3. J L Custom Builders, LLC	Village Bank	Anytime Fitness
Weikel & Boyd Law Firm, PLLC (Next to RR)	4. Tastefully Simple	Tastefully Simple	Avon
Pampered Chef	5. Scentsy	S & D Garage Door and Remodeling	Back Into Life Chiropractic
Your Computer Hero	6. Village Bank	Norwex Environmental Products	Bertolas and Pekula, Certified Public Acc.
Bolton & Menk	7. Weikel & Boyd Law Firm, PLLC	Ramsey Eye Clinic	Big Brothers Big Sisters
Health & Healing Family Chiro.	8. Health & Healing Family Chiropractic	Ramsey Foundation	Blaze Liquors
Scentsy	9. Acapulco Mexican Restaurante	Jimmy Johns	Bolton & Menk
RM Golf Carts, Inc.	10. PSD, LLC	Nothern's One Hour Heating and Air Conditioning	Cellular Experts
Delicious Designs Bakeware	11. The COR	lia sophia Jewelry	CJ and Associates
Wells Catering	12. Dave's Custom Digging	Performance Plus Garage Door LLC	Coborn's
Ramsey Business Links	13. Parkplace Studio	Rum River Chiropractic	Culligan Water
Oakwood Insurance	14. Accent Precision Wood Products	JL Custom Builders LLC	Grand Design Marketplace
Ramsey Raceway	15. Oakwood Insurance Agency, Inc.	Accent Precision Wood Products	Enlyten
Hollyhock Cottage Embroidery	16. Purpose Driven Restoration	Bennett Cooper Floors	Fantastic Sams
Anderson Irrigation	17. Happy Days Committee	The Links at Northfork	Genworth Financial Agency
Metro Dental Childrens Denistry	18. Mary Kay Cosmetics	Tina Kolby Photography	Greater Midwest Realty / Prime Mtg
Tastefully Simple	19. KDB Photography	CJ & Associates	Int. Assoc. of Administrative Prof.
Acapulco	20. Performance Plus Garage Door, LLC	Reliv International	Jimmy John's
Silpada Designs	21. Bolton & Menk, Inc.	Cabinetry Concepts	LaFrance Exteriors
Comfort Suites	22. Coborn's Ramsey	Weikel Law Firm	Lia Sophia Jewelry
Dave's Custom Digging	23. Rum River Chiropractic	Butterfly Worldwide	MacLennan Computer Solutions
Gold Canyon Candles	24. Lia Sophia Jewelry	Healing Therapeutic Services	Marked by Imagination
Thru His Eyes Photo, LLC	25. Healing Therapeutic Services, LLC	MacLennan Computer Solutions	Matasovsky Insurance and Financial Coun.
Gassman Fitness	26. Danner Cabinet Shop/Luxury Bath	Domino's Pizza	Northern's One Hour Heating and AC
Thirty-One Gifts	27. Wells Catering	KinderCare	Northside Sports
Matasky Insurance Broker	28. Premier Commercial Properties	Biz to Biz Network - Ramsey Chapter	Oakwood Insurance Agency
Aflac	29. Verison Wireless	B & B Carpet One	Pathway to Health - Massage and Body Work
Schillmann Realty Inc.	30. Bertolas & Pekula, LLC	Metro North Chamber of Commerce	Performance Plus Garage Door
Trotbrook Financial	31. Northern's One Hour	Twin Cities Dog Guard	Ramsey Eye Clinic
Premier Designs, Inc.	32. Financial One Credit Union	Cellular Experts	Reliv
Ramsey Rotary (Next to W&B)	33. Culligan of Anoka	Youth First Marketing	Rum River Chiropractic
The COR	34. Lena's Tailoring	Marked by Imagination	S & D Garage Door and Remodeling
Purpose Driven Restortion, LLC	35. Realty Executives	Ace Solid Waste	Signs by RSG
Fantastic Sams	36. Wildlife Research Center, Inc.	Culligan Water	Tastefully Simple
Parkplace Studio Photography	37. Landmark Community Bank	TJ Associates Printing	The Bank of Elk River

2012	2011	2010	2009
Matt's Plumbing Solutions	38. Spear's Landscape Inc.	itworks!	Tina Kolby Photography
Healing Therapeutic Services, LLC	39. Business Links	Acapulco Restaurante	Trilogy Homes
One Hour Heating & Air Conditioning	40. Farm Bureau Financial Services	Diamond Auto, Inc	Trott Brook Financial
Anoka County License Center	41. Metro North Chamber of Commerce	CTI Towing	Twin Cities Dog Guard
Lindsay's Lawncare, Inc.	42. Dove Chocolate Discoveries	Cushing Enterprises	Village Bank
Ultimate Exteriors of MN	43. Anoka County License Center	The Ricebox	Wells Catering / Fountains of Ramsey
Desired Health Chiropractic	44. Gassman Fitness	Barnett Family Dental	Youth First Marketing
Armstrong Ranch Kennels/Game Fair	45. Jeff Brooks Agency	Luxury Bath	
Solid Ground Homes & Remodeling	46. MacLennan Computer Solutions, Inc	Coborn's Ramsey	
Midwest Wheels of Thunder	47. Nordick Seamless Gutters	Greater Midwest Realty	
Happy Days	48. Pampered Chef	Allegiance, Inc	
Northstar Commuter Rail	49. Ramsey Foundation	Green Valley Greenhouse	

Year	Total Vendors	Craft Type Vendors
2009	44	3
2010	49	4
2011	50	6
2012	50	7



The Ramsey EDA proudly presents  
The 1<sup>st</sup> Annual

# GREAT OUTDOORS SALE EXTRAVAGANZA OF RAMSEY

Saturday, May 5, 2013



Free Give Aways • Free Food • Free Drinks

*Enjoy an afternoon checking out amazing deals on RVs, ATVs, Snowmobiles, Trailers, Boats, Golf Carts, Bikes and much more in Ramsey. Participating businesses are providing free food, drinks and giveaways!*

RVs • ATVs • Snowmobiles • Golf Carts • Trailers • Bikes • Much More

## **Participating Businesses:**

- *Lakes Region RV*
- *Shorwood RV*
- *Pleasure Land RV*
- *RV World*
- *Quality RV*
- *RM Golf Carts*
- *Pro Power Sports*
- *Ramsey Bicycle*

## **Important Details:**

**Economic Development Authority (EDA)**

**4. 4.**

**Meeting Date:** 01/10/2013

Submitted For: Patrick Brama

By: Patrick Brama, Administrative Services

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Title:

Business Retention Program Update

Background:

As part of the City's business retention and expansion program, staff has been directed to begin conducting retention business visits. The purpose of this case is to present the EDA with a schedule of business visits and to report information gathered from said visits.

Observations:

Scheduled Visits:

10/01/2012

10:am, RJM & General Paper (done)

11/01/2012

8:30am, American Print & Digital (done)

4:00pm, Quality RV & Lily Pad Ceramics (canceled)

11/07/2012

9:30am, Minnesota Tool and Die (done)

11:00am, Summit Aero Supply (done)

12:30pm, RV World (done)

11/15/2012

8:00am, Class C Components (done)

10:00am, Panther Precision Manufacturing (done)

11:30am, Allina Medical Clinic (done)

2:00pm, Anderson Dahlin (done)

11/21/2012

9:00am, B&F Fastener Supply (done)

10:30am, Matrix Tool & Die (done)

1:00pm, Ace Solid Waste (done)

2:30pm, LANO Equipment (canceled)

11/26/2012

10:00am, GMI (done)

11/29/2012

2:00pm, Bolton and Menk (done)

12/13/2012

2:00pm, Heritage Millwork (done)

01/02/2013

10:00am, MMI Precision Machine (done)

01/10/2012

9:30am, Life Fitness Tour

10:00am, Life Fitness Visit

1:00pm, Lakes Region RV

2:00pm, Arrow Components Corp

TBD

NAU Country (TBD)

If members of the EDA are interested in attending any business visit please contact Patrick Brama. A new round of visits will be set up in February/March. An executive report of 2012 meetings will be provided to the EDA in February.

Funding Source:

Regular job duties of City Staff.

Staff Recommendation:

NA, update item.

EDA Action:

NA, update item.

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Attachments

Invite Letter

Target Businesses

Survey

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Form Review

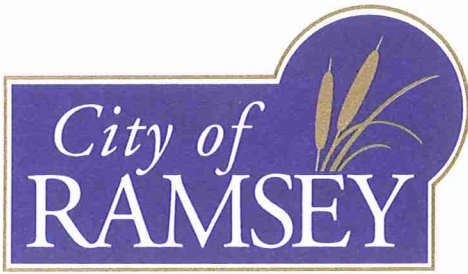
**Inbox**  
Kurt Ulrich

**Reviewed By**  
Kurt Ulrich

**Date**  
01/04/2013 03:47 PM  
Started On: 01/03/2013

Form Started By: Patrick Brama

Final Approval Date: 01/04/2013



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7550 Sunwood Drive NW • Ramsey, Minnesota 55303  
City Hall: 763-427-1410 • Fax: 763-427-5543  
[www.cityoframsey.com](http://www.cityoframsey.com)

October 1, 2012

Mr. John Dowe  
Dowe Enterprises, INC.  
1234 56<sup>th</sup> Street North  
Ramsey, MN 55303

Mr. Dowe:

The City of Ramsey would like to set up a time to visit to your business.

As you may know, the City of Ramsey periodically visits local business. The purpose of these meetings is to 'catch up' and see how your business is doing, develop and maintain a line of communication and to see if you have any concerns or questions regarding the City of Ramsey.

Typically, we set up meetings on the second and fourth Thursday of each month. Meetings last between 30 minutes and one hour. Meetings are open ended, depending on what you would like to cover. Additionally, we have a few questions we would like to ask regarding your business.

In the coming days I will be contacting you to set up a time. If you have any questions or comments in the meantime I would be glad to help.

Best regards,

Patrick J. Brama  
Management Analyst, City of Ramsey

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OFFICE: (763) 433-9903 CELL: (763) 412-7609  
ADDRESS: 7550 Sunwood Drive NW, Ramsey, MN 55303

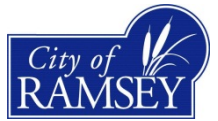
## 40 Largest Employers for the City of Ramsey

As of 12/12/11

<u>Company</u>	<u># of Employees</u>
1. Vision-Ease Lens	355
2. Life Fitness	350
3. Connexus Energy	230
4. Anderson Dahlen	140
5. Ramsey Elementary	135
6. Zero-Zone Refrigeration	130
7. Altron Manufacturing	120
8. Waltek	108
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# 2012 BUSINESS SURVEY



## **HISTORY/BACKGROUND/PRODUCTS/SERVICES**

[Origination, ownership structure, products/services, etc.]

## **NUMBER OF EMPLOYEES**

[F.T.E., changes/trends]

## **SALES**

[Past year/projected, changes/trends]

## **FACILITY**

[size, own/lease]

## **MARKETS**

[Where do you serve and where to you buy from]

## **OUTLOOK**

[Where do you see you company heading in the coming years, short and long term]

## **COMPETITIVE ADVANTAGES & CHALLENGES**

## **WHY RAMSEY**

[Why is your business located in Ramsey—strengths]

## **RAMSEY WEAKNESSES**

[What can we do better to serve our business community?]

## **FOLLOW UP**

[Questions, requests or concerns about the City in relation to your business]

**Economic Development Authority (EDA)**

**4. 5.**

**Meeting Date:** 01/10/2013

Submitted For: Patrick Brama

By: Patrick Brama, Administrative Services

---

Title:

Updates: Old City Hall Development (data center), Nordvick Property Demolition, Kuro Fitness RLF, 6701 Highway 10, Windsorwood Sale, 8019 146th Ave.

Background:

NA

Observations:

**Old City Hall Development (data center)**

The EDA and City Council have expressed interest in developing the old municipal center site, 15153 Nowthen Boulevard ("Subject Property") for a data center user(s). The City is partnering with Connexus Energy to pursue this development opportunity.

As part of this effort, Staff was directed to complete the State's Shovel Ready program; which is anticipated for completion come spring/early summer. Moving forward, the City will be considering a cost/benefit analysis of various development scenarios and what zoning regulations the City should consider for the Subject Property. To aid this process, Staff has ordered development scenario sketch plans. The City expects to receive said plans in the next two weeks. NOTE: options will include a single family residential development.

Attached to this case is an article recently published in the Business Journal regarding data centers: "Promise of Data Center Building Boom is Sputtering." 2012 EDA Chair Riley recommends the EDA review said article.

**8020 147th Ave, Building Demolition**

The EDA purchased the property located at 8020 147th Avenue, known as the Nordvick Property ("Subject Property"), in the spring of 2012. A portion of the Subject property was dedicated as right of way for the realignment of Armstrong Boulevard. About one acre of developable land remains.

The Subject Property contained two structures, a parking lot and a number of other improvements. The EDA ordered buildings on the Subject Property to be demolished and the site to be cleaned for future development at the October EDA meeting.

Besides seeding, demolition and cleanup of the Subject Property is complete. Staff is working with the project contractor to make sure said work is completed. More updates will be provided as information is available.

At the November EDA meeting, it was decided to consider future development of the Subject Property in conjunction with surrounding parcels, as the City will likely attain adjacent properties. Staff will bring forward a case regarding the future development of this parcel at the February EDA meeting.

**Kuro Fitness RLF**

The EDA and City Council approved an EDA Revolving Loan Application for Kuro Fitness in November. Staff is working with the RLF applicant to close the approved said loan. This process is on hold until Kuro Fitness is open and Staff has an opportunity to inventory collateral. It's anticipated the store will open and the City's loan will be closed in the coming weeks.

**6701 Highway, For Lease**

As part of the effort to realign Highway 10, the State enabled Cities to purchase properties located in future right of way with Revolving Acquisition Loan Fund (RALF) dollars. The City of Ramsey owns a number of RALF

properties along the north side of Highway 10. One of those properties is 6701 Highway 10, known as Youth First building ("Subject Property").

The Subject Property contains a two small retail spaces (front) and a large cold storage facility (rear). The front of the Subject property is rented by Youth First Community of Promise and Northern Light Church. The rear cold storage portion of the property has remained vacant since October of 2012.

A prospect the City was working with to rent the rear of 6701 has recently gone cold. Staff is placing a real estate banner on the Subject Property and updating various online listings.

**Private Property Purchase (City), 8019 146th Ave**

The City recently attained a signed purchase agreement for the property located at 8019 146th Ave. Said property is being purchased by the City for the future right of way (ROW) of Armstrong Boulevard. The City Council will be reviewing said purchase agreement in the coming weeks. More updates to come.

**City Owned Land Sale, Windsorwood**

As part of the Council's 2011 and 2012 strategic planning process, developing an inventory of surplus City owned land was identified as a priority. A parcel located at 178th Ave and Vicuna St, known as the Windsorwood property, was identified as surplus City owned land ("Subject Property").

With Council direction, Staff has worked with nearby property owners to negotiate a sale of the Subject Property. The Council will be considering an offer of \$40,000 from David Pomroy to purchase the Subject Property at the January 8 City Council Meeting.

Funding Source:

NA

Staff Recommendation:

NA

EDA Action:

NA

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Attachments

Business Journal Article Data Centers

Windsorwood Sale

For Lease Banner

6701 Hwy 10 Profile

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Form Review

**Inbox**  
Kurt Ulrich

**Reviewed By**  
Kurt Ulrich

**Date**  
01/03/2013 03:15 PM  
Started On: 12/28/2012

Form Started By: Patrick Brama

Final Approval Date: 01/03/2013

BY JOHN VOMHOFF JR.  
STAFF WRITER

When the founders of Urban Organics first visited the old Hamm's brewery on the east side of St. Paul a year ago, the long-vacant building was in disrepair. The walls were covered with graffiti and there were piles of trash left behind by homeless peo-

ple who had been living there.

"You should have seen it. It was a nightmare," said Fred Haberman, a local public relations executive who is part of the Urban Organics team.

But Haberman and his partners saw potential in the 105-year-old building, and they're now transforming it into an indoor, urban farm. Most of

the birds have been cleaned up, and by mid-2013 there will tanks full of tilapia and racks lined with fresh lettuce and herbs.

Urban Organics will use an agricultural technique known as aquaponics, a symbiotic marriage of aquaculture (raising fish in tanks) and hydroponics (growing plants in water). The

nutrient-rich wastewater from the fish will be pumped to the produce growing on the racks above, and the plants then act as a filter for the water before it returns to the fish tanks.

FARM | PAGE 23



### Retargeted:

Startup's cancer-fighting plan didn't work, so it goes fishing.

innovationMN | 6

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#BXNMVRH \*\*\*\*\*CAR-RT LOT\*\*C-011

#073222875# 3/1/2013  
BRIAN BERGMANN  
CBIZ  
222 S 9TH ST STE 1000  
MINNEAPOLIS MN 55402-3360



# Promise of data-center building boom is sputtering

BY SAM BLACK  
STAFF WRITER

An expected boom in data-center construction in the Twin Cities has been slow to materialize despite all it has going for it — prepped sites, government incentives and favorable national trends.

Three large data center projects — in Washington, Carver and Dakota counties — have been proposed by developers, but haven't moved beyond the marketing stage because there hasn't been enough demand,



PROVIDED BY COLLIER INTERNATIONAL | MINNEAPOLIS-ST. PAUL

**M. A. Mortenson has proposed this 125,000-square-foot data center in Chaska, but it won't break ground without a tenant.**

even with the help of 2011 tax breaks passed by the Legislature aimed at landing such projects.

The 2011 law exempts companies from paying Minnesota sales tax on all purchases of equipment for any

new or refurbished data center that involves at least 30,000 square feet of space and \$50 million in investment.

So far, no projects have been able to meet those thresholds.

The first big deal to be announced was in November 2011, when Charlotte, N.C.-based Five 9s Digital said it would develop a \$75 million to \$100 million, 138,000-square-foot data center in Eagan that would open in the third quarter of 2012.

Five 9s lets its option expire in August. **DATA CENTERS | PAGE 23**

# New faces at corporate boards raise costs

BY TOM SMITH AND JIM HAMMERAND  
STAFF WRITERS

Four Minnesota companies increased pay to their boards by more than 25 percent in their last fiscal year, largely to bring on fresh talent. The biggest increases were at ValueVision Media Inc. and Northern Oil and Gas Inc. On the other hand, several public-company boards dropped

members, including Best Buy Co. Inc. and Imation Corp., and consequently paid less in compensation.

Overall, the total compensation represented on the *Minneapolis/St. Paul Business Journal's* annual Top 25 List of the highest-paid corporate boards rose by 6 percent this year. A more significant trend, however, is the sharp rise in board pay at the top and

drop-off at the bottom.

Overall, 16 companies gave pay increases to their boards, and nine paid less. Furthermore, 15 of the 25 reported at least one departure during the fiscal year we studied. That 60 percent ratio tracks with national numbers compiled by Equilar. A majority of the S&P 1,500 companies it studied (781 **BOARDS | PAGE 9**

## SHOP-A-LOT

As undeveloped land in metro area dwindles, developers look for new solutions in old outlots. **Special Report | 12**

Providing the people to power technology.

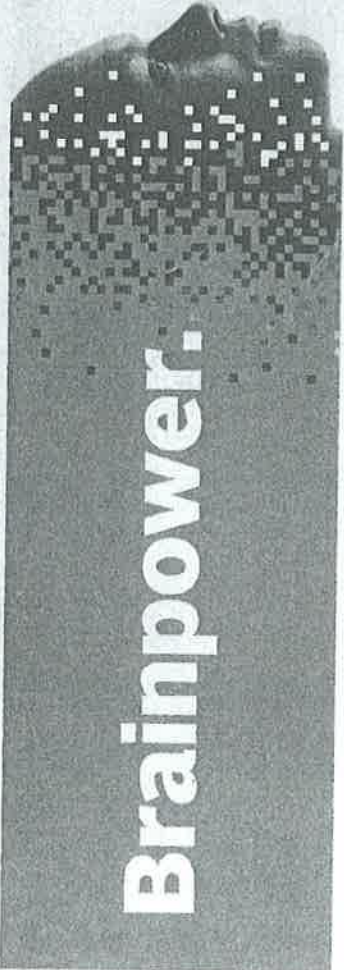
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# Brainpower.



# DATA CENTERS: Big MN companies have built them here, but developers are left waiting for tenants

FROM PAGE 1

on the farmland it had picked for a site.

"A lot of our potential tenants were looking for an existing building where they could occupy it quicker and at a lower price," said Five 9s CEO Doug Hollidge. "We listened to the market and transitioned to putting an 87,000-square-foot building under contract."

It is now marketing space in a former Laystee bakery distribution center in Eagan. By using an existing building, Five 9s could lower asking rents from \$28 to \$14 per square foot per year.

The other two projects still waiting for tenants to start or expand are a data center in Chaska proposed by M. A. Mortenson Co. and a building in Washington County that startup firm IronGate Data Centers plans to convert into a data facility.

Economic development boosters envisioned the data-center tax breaks would land deals that add millions of investment to the state. Data centers are expensive to build and equip, with price tags reaching \$400 to \$700 per square foot. They don't usually generate a lot of jobs (a staff of 30 can often manage a 100,000-square-foot facility), but they pay property taxes and consume a lot of energy sold by local utilities.

There's been a national boost in demand for data-center space as more and more companies store their information off-site and turn to cloud-based data storage. The explosion of smartphones also is driving demand.

Minnesota has an advantage over some

## WHAT'S A DATA CENTER?

A data center is a facility exclusively built or renovated to house computer, telecommunications and electronic storage systems. It is typically in an expensive, reinforced building, with redundant power supplies and beehive up environmental controls and security.

## Demand drivers:

Growth of cloud-based IT storage and smartphone use; ongoing concern over disruptions in business due to natural disasters

## A few large data center proposals:

- M. A. Mortenson Co., Chaska, marketing 125,000 square feet of new construction
- Five 9s Digital, Eagan, marketing a 187,000-square-foot renovation of a former bakery warehouse
- IronGate Data Centers, somewhere in Washington County, plans to renovate an 85,000-square-foot industrial building and is marketing 270,000 square feet of new space

states because of its low risk of natural disasters and chilly climate, which helps cool sensitive equipment. Several Fortune 500 companies already have data centers here, especially in health care, banking and retail industries, which helps prove the reliability of the area as a data center

hub. Minnetonka-based UnitedHealth Group Inc. and Minneapolis-based Target Corp. built new data centers in the West Metro in 2010 before the data-center economic-development law passed.

## Tax break threshold too high?

The data-center tax breaks are helpful, but not game changing, said Dan Peterson, a broker at Colliers International | Minneapolis-St. Paul and a specialist in the data-center market.

"With at least 13 states with similar incentives, it's really the price of admission these days for states to have incentives like these to attract data-center development," said Peterson, who is marketing a 12-acre site in Chaska where Golden Valley-based M. A. Mortenson has proposed a 125,000-square-foot data center.

The Twin Cities is underserved for data-center space and has been pegged as an emerging market in the sector by national players, Peterson said. "Users are swirling... but we're not seeing things land quite yet."

The Minnesota High Tech Association has discussed trying to amend the 2011 law to get some of the thresholds for the tax breaks lowered, which could help the incentives match up with some of the phased developments that have been proposed, Peterson said.

One such phased project is by Minneapolis-based IronGate Data Centers, led by developer Ned Abdul. IronGate owns an 85,000-square-foot facility in Washington County and a 25,000-square-foot facility in Hennepin County. (It doesn't disclose the exact locations to maximize privacy.)

IronGate received some recent coverage for a 270,000-square-foot expansion it announced for the Washington County site, but it won't break ground on that until it lands one of the 100,000-square-foot users from the East Coast that are looking in the market, said Rory Johnson, president of IronGate. So far, IronGate's only deal is for an undisclosed tenant that is leasing about 2,000 square feet.

Greater MSP, the regional economic development agency, worked with IronGate to provide information about incentives and to help

There's still upside for the data-center market in the Twin Cities, said Mike Brown, a spokesman for Greater MSP.

There have been about three smaller data-center deals that Greater MSP was involved with in the past year, but none qualified for the tax breaks, Brown said. Those projects included a \$25.7 million, 33,000-square-foot project by Allina Health System in Anoka and an \$11

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# THE AWARDS LUNCHEON

## MINNEAPOLIS BUSINESS JOURNAL

# EXECUTIVE OF THE YEAR

2013

You won't want to miss our 37th annual Executive of the Year awards luncheon where we will celebrate our 2013 honoree and recognize their professional achievements and personal dedication to the community. This event is an annual sell out, so get your tickets now!

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**11:00-1:00pm**  
MINNEAPOLIS HILTON

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[www.mspb.com/event/80661](http://www.mspb.com/event/80661)

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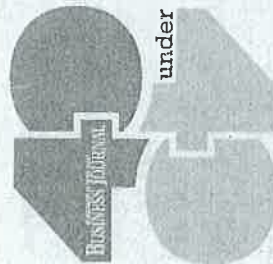
**INSIDE THIS WEEK**



**Power play:**

Jon Frank's electrical-backup firm expanding into Canada.

| 3



**Next-gen leaders:**

Nominations are open for the 2013 40 Under 40 awards.

Info | 14



**Hold it:**

Excelsior delays decision on planned boutique hotel.

| 3

# MINNEAPOLIS ST. PAUL BUSINESS JOURNAL

December 21, 2012

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Vol. 30, No. 30 \$3.95



FLOOD TANK



Aquaponics

GROW BED

FISH TANK

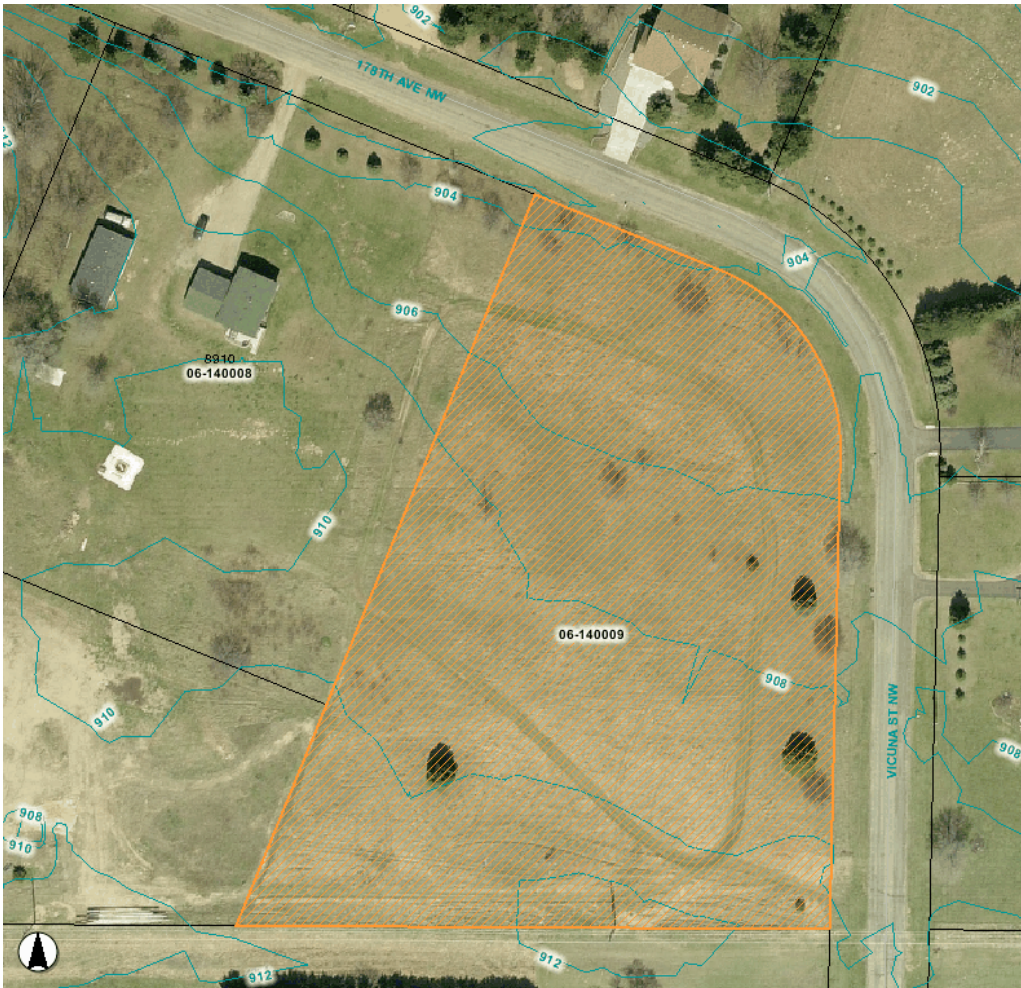
NANCY KUHN | MINNEAPOLIS/ST. PAUL BUSINESS JOURNAL

**Fred Haberman, left, Dave Haider and Chris Ames are converting the former Hamm's brewery into an urban indoor farm that produces fish and greens.**

## Plot for farm in old brewery plows forward

## PROPERTY PROFILE: CITY OF RAMSEY

**NUMBER:** 34  
**ADDRESS:** NA  
**PID:** 063225140009  
**LEGAL:** NA  
**ACRES:** 3.10  
**VALUATION:** 51,300  
**ZONING:** Public/Quasi-Public  
**MUSA:** No  
**GIS IMAGE:**



- DESCRIPTION:** The subject property is located on the south side of 176<sup>th</sup> Avenue and the west side of Vicuna Street. The property is zoned public/quasi-public and is surrounded by residential. This property is dry, high and buildable. Based on the GIS image above, it looks as though this parcel is being used by neighboring property owners.
- WETLAND:** This property is not adjacent to wetlands so banking is not a feasible use. It does not collect storm water from the neighborhood.
- MAINTENANCE:** There are no maintenance costs.
- OWNER & ENCUMBRANCE:** This property is unrestricted and can be sold.
- DISPOSITION:** The subject property was acquired in October of 1989. This is not a dedicated park. This property has free and clear title and is ready to be sold. If the council desires to dispose of this parcel, staff should rezone and list the property.

**USAGE:**

Property appears to largely be unused, there are some four wheeler tracks. It is assumed the adjacent property owners to the west may occasionally use this property.

**PUBLIC INPUT:**

Staff has received interest for purchasing this parcel from both properties owners located directly west of the subject property. Both property owners don't want this piece of land developed. No further public input was received.

**PROPERTY IMAGES:**



## COUNCIL DIRECTION:

- Direct Staff to move forward with selling Windsorwood (06-32-25-14-009).
- Select a method of sale (i.e. for sale by owner, auction, listing with a realtor).
- Consider a request by the two neighboring property owners to allow a first right to purchase the property. A time limit for negotiations should be set.

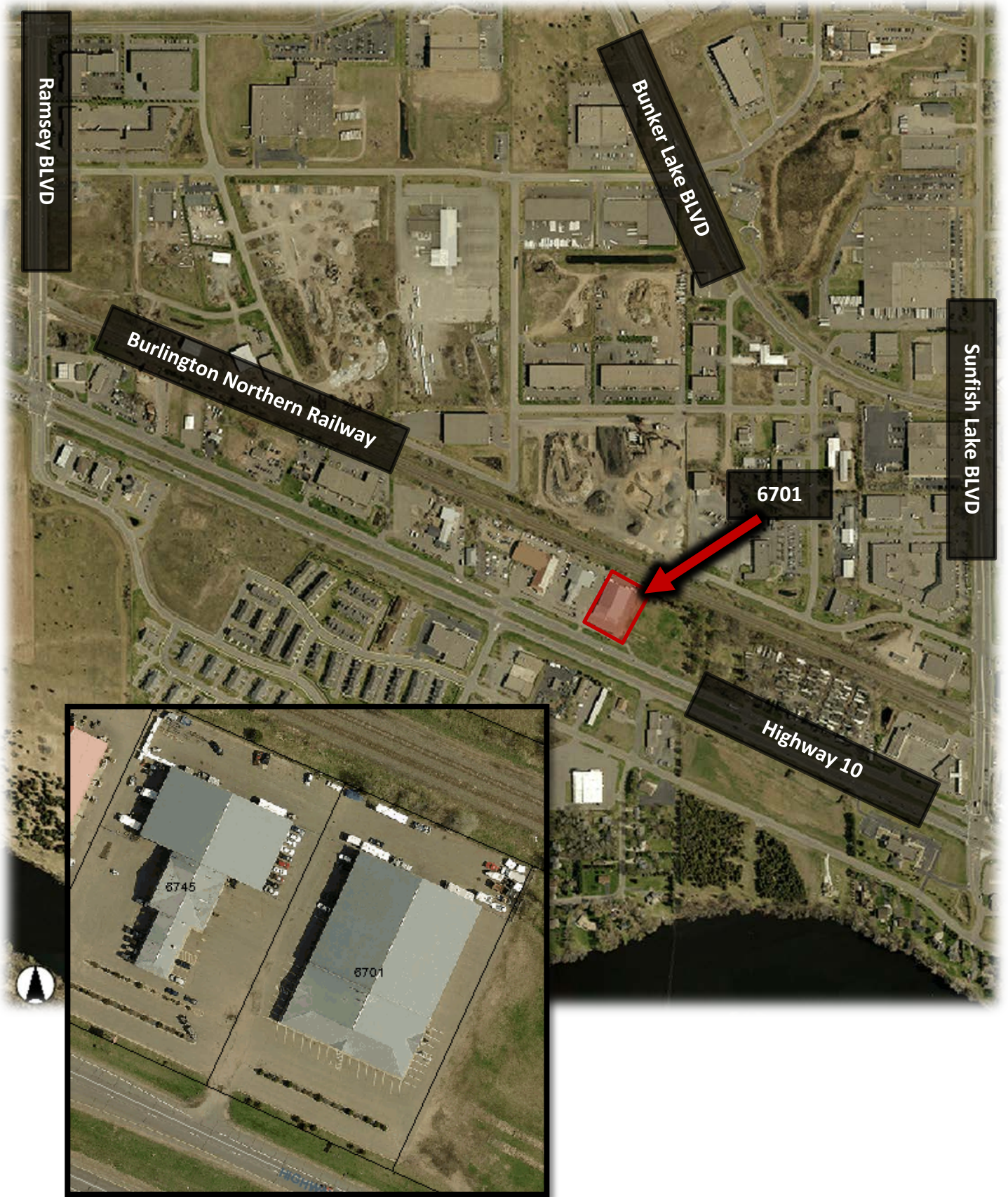
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# AVAILABLE LEASABLE SPACE

6701 Highway 10



# AVAILABLE LEASABLE SPACE

6701 Highway 10

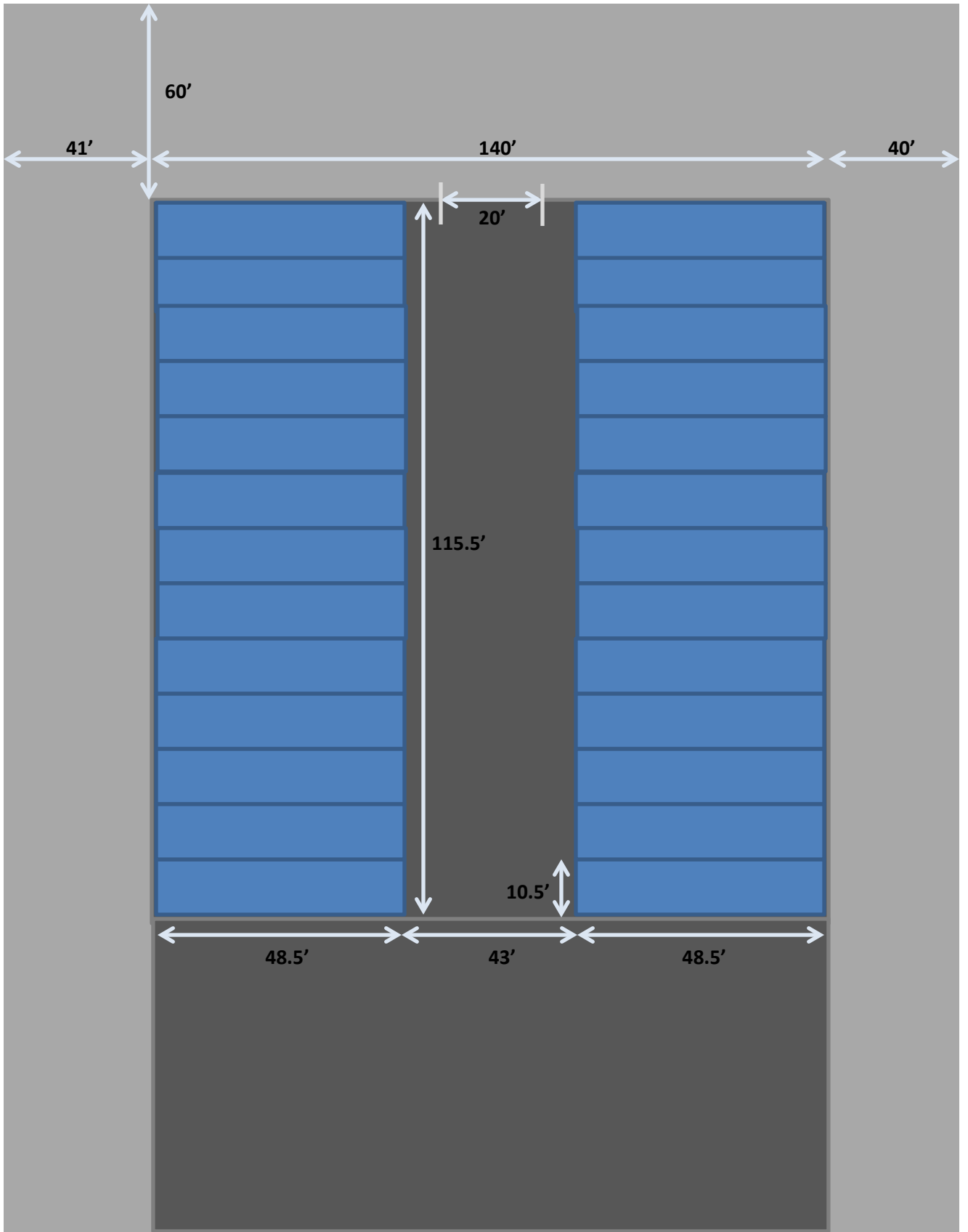
Burlington Northern Railway



6701

Highway 10





## **BACKGROUND**

- 6701 Highway 10
- Lot 3 Block 1, Deal Industrial Park
- 1.84 Acre Site (Total)
- Count Valuation \$961,300 (Total)
- Sec. 117-120. - H-1 Highway 10 Business District.
- Electricity only, cold storage
- Main garage door is powered, 20' wide
- Each stall has a 10', metal, manual garage door
- 22 full stalls, 48.5' x 10.5'

## **SQUARE FOOTAGE**

- 28,140 total square feet
- 9,520 office square feet
- 18,620 cold storage square feet, leasable space

## **ASKING PRICE, 18,620 SQUARE FEET OF COLD STORAGE**

- \$1.98 per square foot
- \$3,072 per month
- \$36,867 per year

## **NOTES:**

- Lease includes taxes and property insurance (not insurance of stored units)
- Electricity available, leaseholder is responsible for paying
- Leaseholder is responsible for snow removal and lawn maintenance (if applicable)
- All stalls have access via metal pull up doors, main bay has access via power metal garage door

**Economic Development Authority (EDA)**

**4. 6.**

**Meeting Date:** 01/10/2013

Submitted For: Patrick Brama

By: Patrick Brama, Administrative Services

---

Title:

Prospect Update

Background:

Staff would like to provide the EDA with an update on interactions with prospect businesses.

Observations:

Four local businesses have expressed interest in expanding in Ramsey. Said prospects were identified during recent business visits. Staff is working closely with all three prospects. Available detail will be provided at the EDA meeting.

Funding Source:

Regular staff duties

Staff Recommendation:

NA

EDA Action:

NA

---

**Form Review**

**Inbox**  
Kurt Ulrich

**Reviewed By**  
Kurt Ulrich

**Date**  
01/03/2013 04:08 PM  
Started On: 12/28/2012

Form Started By: Patrick Brama

Final Approval Date: 01/03/2013