

# Surviving the Retail Apocalypse: Charting the Future of Retail in Ramsey



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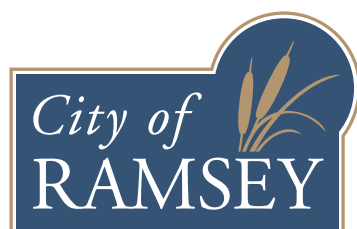
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# Surviving the Retail Apocalypse

## Charting the Future of Retail in Ramsey



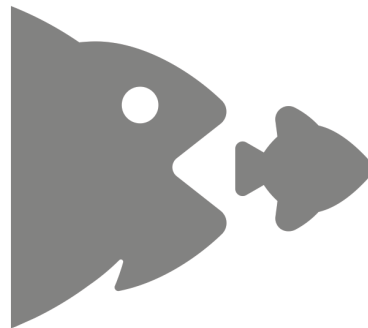
The **retail opportunity in Ramsey is high** given the city's growing population, disposable income, and space for new shops and restaurants. **Global retail is changing rapidly** with new technology and ways for people to shop and enjoy their time. Ramsey can become a **premier destination** by taking advantage of its resources, creating a place for the talent of the community members to grow, and becoming a **model for the future of retail**.

### The Story of Retail Today



#### Retail is Changing

Globally big box retailers have been **downsizing and closing stores** for decades. Large shopping malls are no longer being built across suburban cities, and many more people are **shopping online**.



#### Competition is High

Ramsey is surrounded by large retail nodes **hunting for eager shoppers**. Cities like Maple Grove, Coon Rapids, Otsego, and Anoka all have established markets easily accessible in less than a 23 minute drive.



#### Ramsey Inventory and Assets

Vacant space **is designated for commercial development**. There are more than 50 shops and restaurants that are located across the city but only a few located in the center of Ramsey.

### Survival Strategies



#### Branding a Unique Identity

**Creating a Reason to Shop in Ramsey:** Shoppers need a reason to spend hard earned money. Ramsey has unique assets to develop an identity lacking in nearby cities. Coordinate residents and developers to create a **cohesive vision** of retail going forward that all development will build

#### Strategies:

- Identify unique assets
- Coordinate residents and developers around retail vision
- Ensure cohesive retail story built around Ramsey identity



#### Utilizing Existing Assets

**Retooling the Retail Economy:** It is important for Ramsey to utilize not only the physical space but also the intellectual resources of the community. The city can **foster the talents** of the community through innovative strategies to spur the retail development that the community desires.

#### Strategies:

- Simplify new business start-up process
- Incentivize redevelopment, encourage reinvestment
- Create low-risk opportunities for entrepreneurs



#### Experience the Character of Ramsey

**Leveraging Recreation:** Ramsey has an **advantage over its neighbors** from its nearby rivers, established and upcoming bike trails and vacant space for new retail formats. Retail in Ramsey should create a fun and novel experience for the community to spend their time.

#### Strategies:

- Create retail identity through outdoor expos and events
- Encourage development of destinations for outdoor enthusiasts
- Turn vacant space into places for neighbors to stay a while



The upcoming posters show the challenges Ramsey faces in attracting retail today and opportunities it has to attract future business. The city is in a position to create a retail identity, attractive to new retailers and leap ahead of its neighbors.

# Surviving the Retail Apocalypse

## Charting the Future of Retail in Ramsey



### What is Happening to Retail?

The retail market has taken a catastrophic hit across the nation. The Great Recession impacted sales nine years ago, but it doesn't explain why more and more stores are closing, and large retail names are filing bankruptcy. Americans have seen great wage growth, GDP has been growing for years, and gas prices and unemployment are low. **So how did we get here?**



**People are buying more things online than before.**

Online shopping has evolved over the years, offering deals such as **free shipping and returns**, making online purchases seemingly **risk-free** for consumers.

More types of retail have become **successful online** - beds, clothing, glasses, shoes - forcing brick-and-mortar stores to offer **comparable prices and conveniences**. Consumers can now compare prices and similar items **from their home** rather than making multiple trips to stores.



**America has too much retail space.**

Between 1970 and 2015, the number of malls increased twice as fast as the population in the U.S. This development has left the U.S. with **40% more shopping space per capita** than Canada and **5 times more space** than the U.K.

The Great Recession brought decreased wages, higher health-care costs, and less spending on luxuries. This led to the number of mall visits by consumers **dropping 50% from 2010 to 2013** and have continued to decrease since.

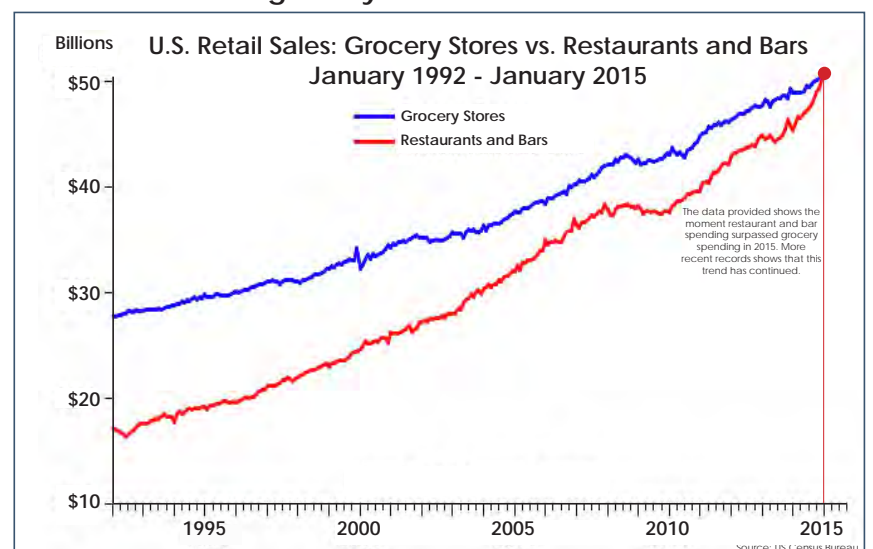
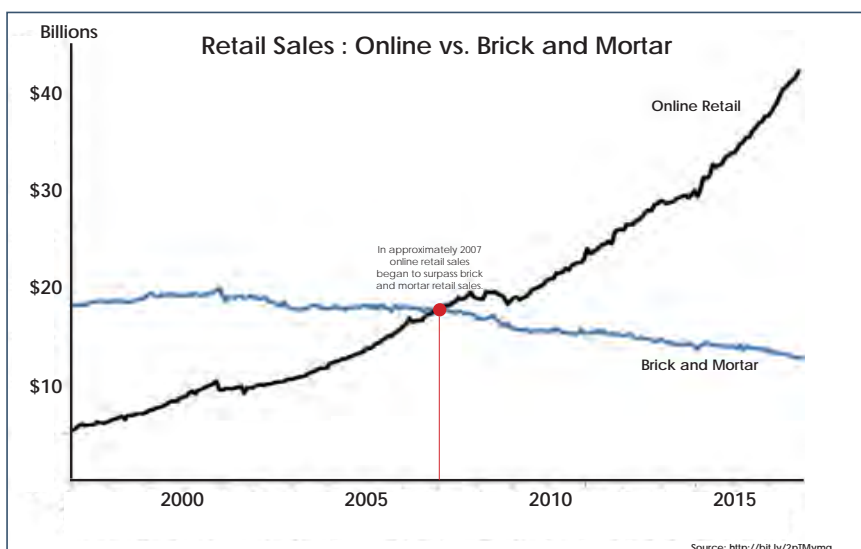


**Spending is shifting from material items to experiences.**

Retail was on the rise until the Great Recession, and **people were buying a lot of 'stuff'**. Since 2008, spending has shifted from apparel and luxury items, **to traveling and dining**.

Spending habits are being **driven by the social element** of 'going out' and want to **share experiences** with others, not shop for items.

Sales in the "Food services and drinking places" category of retail have grown **twice as fast** as all other retail spending since 2005. And, in 2016, Americans spent **more money in restaurants and bars than grocery stores**.



**Is this the end of brick-and-mortar? Probably not.** New technology advances will continue to impact the retail market. Economic development can still be successful, as long as cities **plan alongside the changes**, shaping strategies to try to keep up with whatever comes next. Ramsey can stay on the **cutting edge of market change** though implementing strategies shaped by these trends, and understanding their competition, as highlighted on the next poster.

# Surviving the Retail Apocalypse

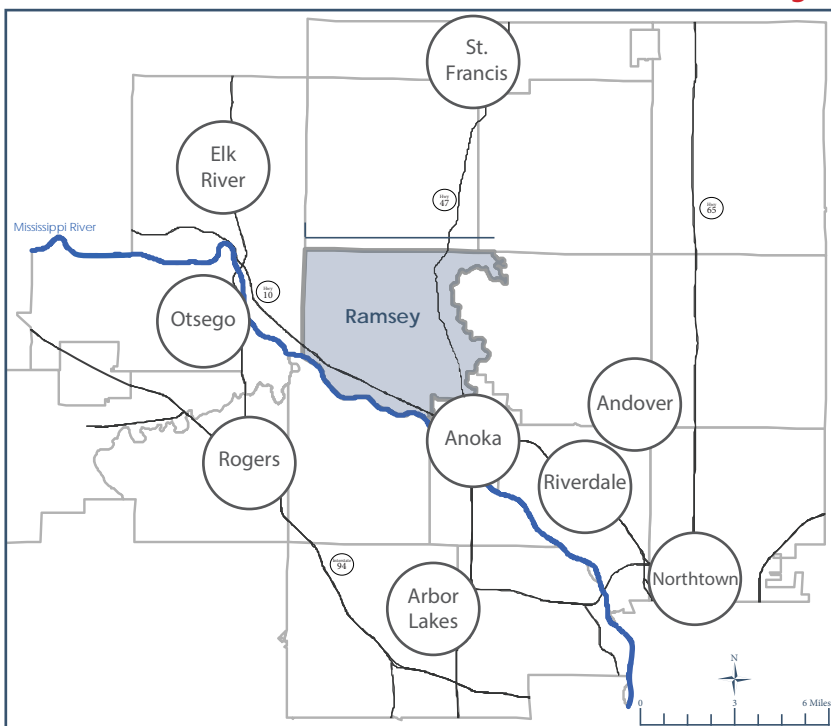
## Charting the Future of Retail in Ramsey



### Competition & Accessibility

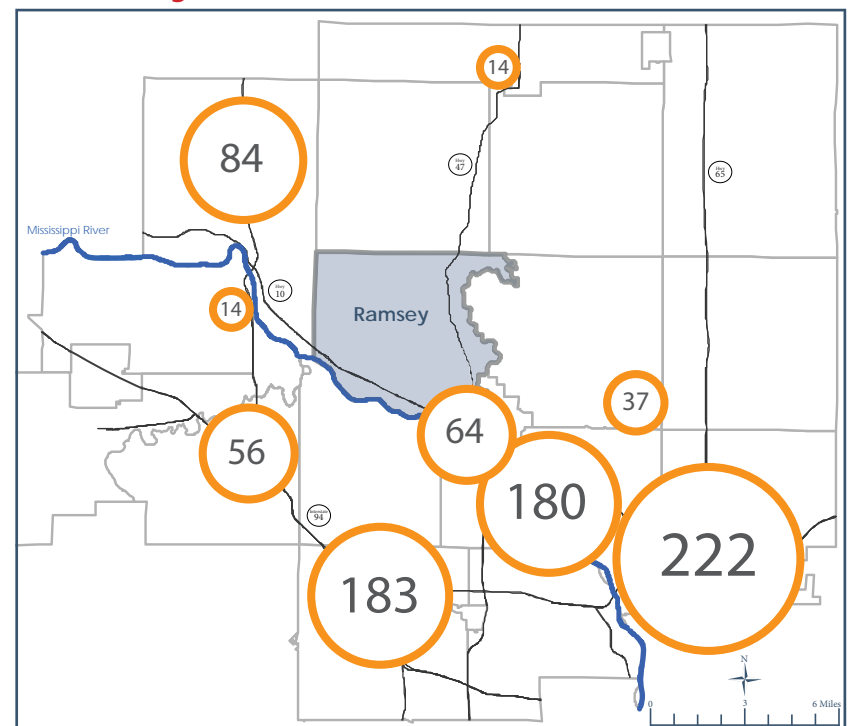
Ramsey sits between many retail nodes including big box stores and clusters of shops and popular restaurants. The map below represents regional competition near the City of Ramsey. All retail nodes highlighted are **within 12 miles of the city**. Each map describes these nodes and how they might impact retail in Ramsey.

#### Location of Retail Nodes Near Ramsey



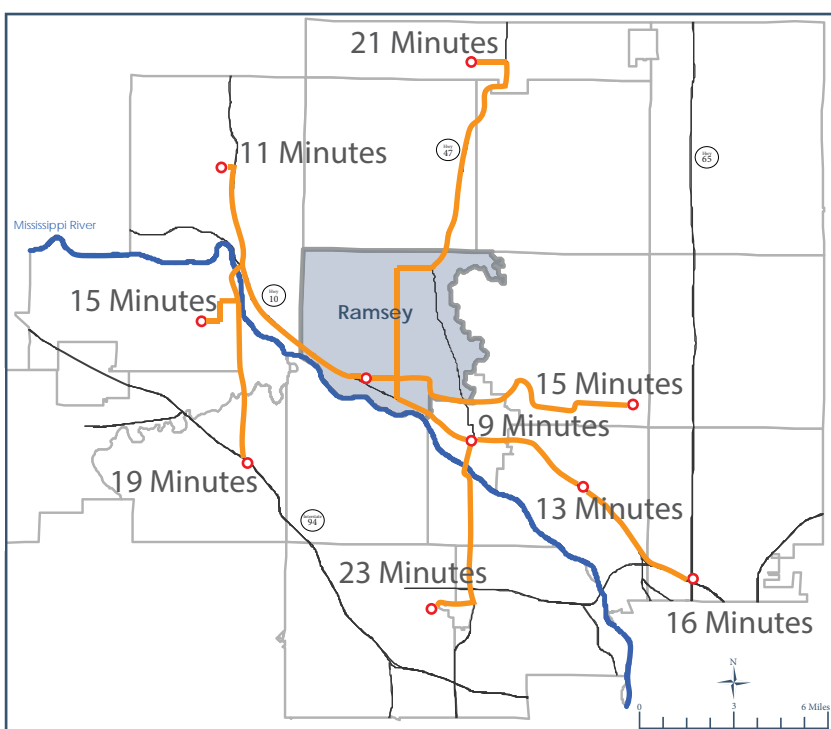
Ramsey sits between 9 competitive retail nodes

#### Quantity of Retail and Restaurants



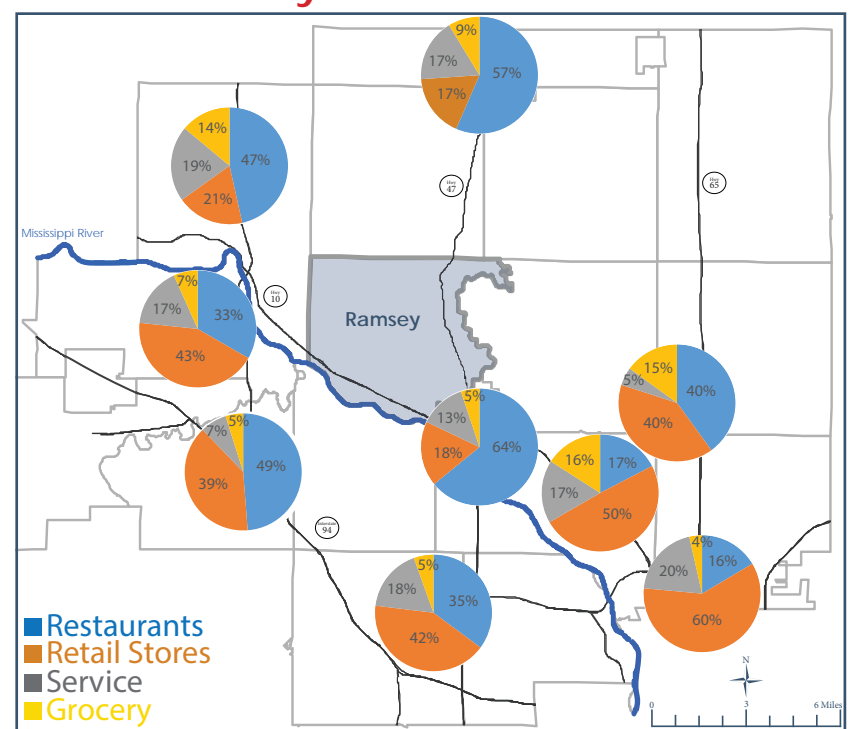
These 9 nodes have 854 retail locations combined

#### Drive Time



Residents can access each in less than 23 minutes

#### Retail Diversity



Various types of retail are available in each node

Regional **competition is fierce** with attractions for residents, commuters and cabin goers surrounding Ramsey. Major highways passing through the region give **shoppers access to retail nodes** in several nearby cities. Ramsey has the land area and vacant space to **expand its retail base** within the city.

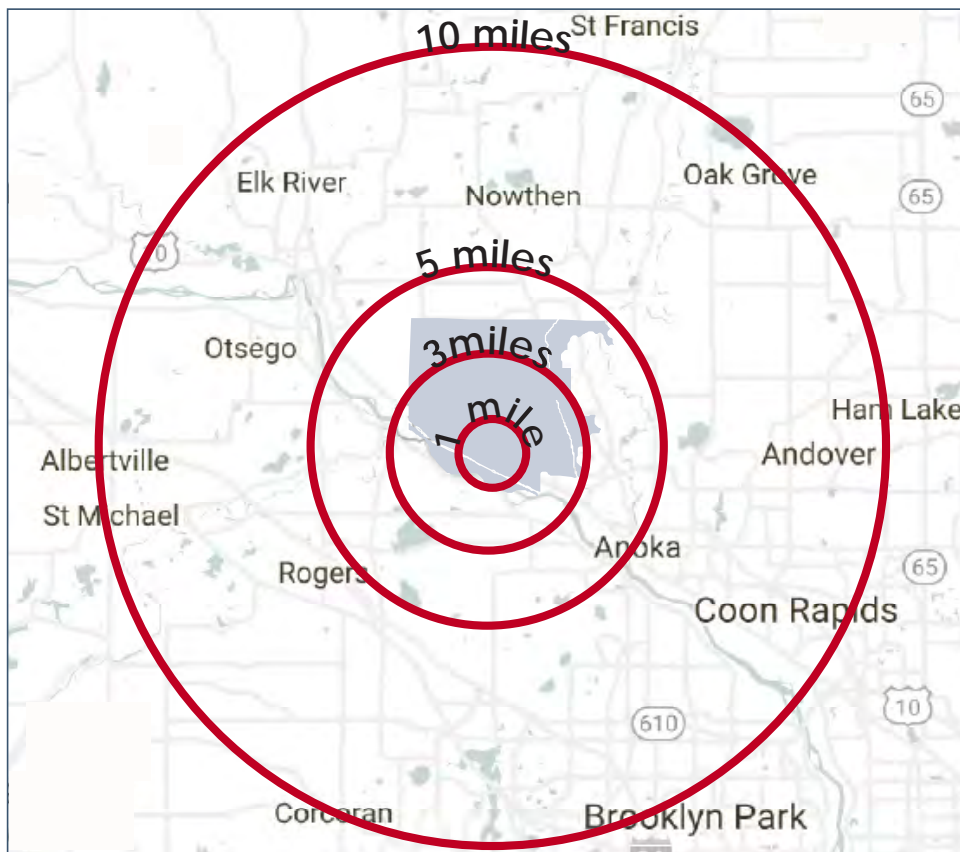
# Surviving the Retail Apocalypse

## Charting the Future of Retail in Ramsey



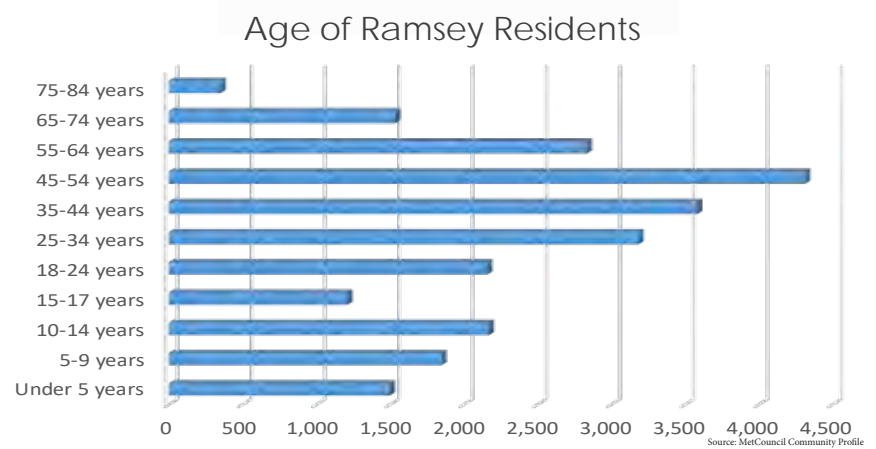
### Who is Ramsey's target retail market?

To analyze Ramsey's opportunities, demographic data should be examined to answer questions about residents, the surrounding area, and consumer habits. **Current and projected demographic data**, which shapes consumer spending information provides crucial insights about Ramsey's potential to **successfully attract and retain retailers**.



### Ramsey's Retail Demographics

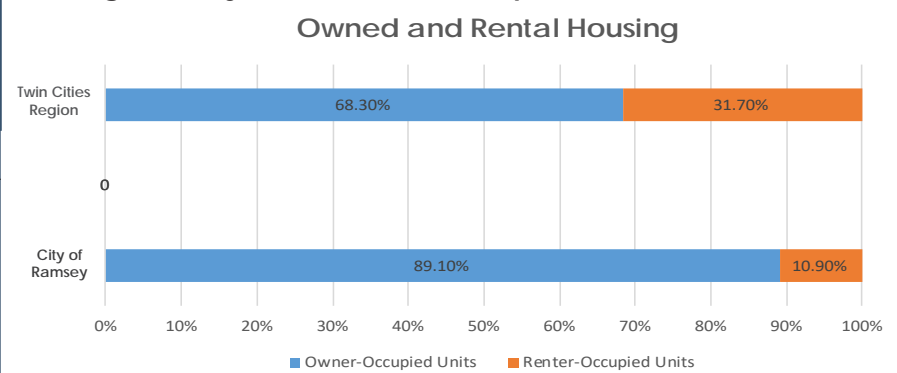
**Age**- The majority of Ramsey's population is between the age of 25-65. This highlights the **stability** of the city's population for potential retailers. However, the largest concentration of population is between **40-55 years old**, emphasizing the aging population and **anticipated shift in spending habits**. Spending momentum starts to **decrease dramatically after age 50**. Prior to that individuals and households peak in spending when buying homes, cars, and having children.



Retail markets are often analyzed by **milage or drive time from a specific commerical node**. Ramsey has had multiple market analyses completed previously, and has not found these measurements to be effective for **understanding the market** in regards to retail recruitment. Recently, emphasis has been placed on **average daily traffic counts**, something Ramsey is **striving to increase**. Measuring or analyzing traffic counts was not within the scope of this project, however could impact the ability to attract retail, alongside Ramsey's **increasing population, housing density and maintaining an above average median income**.

**Housing Units & Households** - Ramsey's population and household projected growth shows a **steadily growing consumer market**. A notably high percentage of home-ownership indicates **stability and consistency in consumer spending**. As Ramsey continues to construct more housing, the **number of households within the market area will increase, making Ramsey more attractive to potential retailers**.

DISTANCE FROM COR	1 mile	3 miles	5 miles	10 miles
<b>2016 Population</b>	2,493	23,953	50,866	252,652
<b>2021 Projected Population</b>	2,697	25,575	53,433	265,483
<b>% Change: 2016 to 2021</b>	7.50%	6.80%	5.10%	5.10%
<b>2016 Households</b>	891	8,094	18,110	90,502
<b>2021 Households</b>	969	8,687	19,114	95,240
<b>% Change: 2016 to 2021</b>	8.80%	7.30%	5.50%	5.20%
<b>2016 Median Household Income</b>	\$78,781.00	\$83,624.00	\$79,169.00	\$78,267.00
<b>2016 Per Capita Income</b>	\$31,224.00	\$32,251.00	\$32,494.00	\$33,079.00
<b>2016 Housing Units</b>	915	8,341	18,757	94,083
<b>2016 Percent Owner Occupied Units</b>	92%	89%	83%	81%



**Income** - **40% of Ramsey residents have a household income over \$100,000** and average household income nearly **\$20,000 greater** than the average for the Twin Cities Metro. When evaluating a market, retailers seek a minimum number of households within a certain income range before establishing a business. Ramsey's high median income means lower risk for incoming retailers.



Understanding resident demographics and **correlating spending habits** can provide direction as the City of Ramsey moves forward with **strategies to attract types of retail** that will be **most successful** in the community.

# Surviving the Retail Apocalypse

## Charting the Future of Retail in Ramsey



Strategy #1

### Branding a Unique Retail Identity

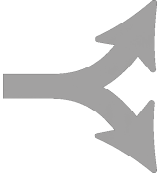
Ramsey faces numerous challenges in bringing successful retail to the city. This factor can be seen through the city's **lack of a retail identity**. The creation of a retail identity for Ramsey will give **character to existing retail** in the city, and create a more specific **framework for future development**.



Branding can transform a city into a place where people want to live, work and play. A **strong retail identity is especially vital when vying with other markets** for attention in of attracting new businesses. The brand should be based on **what assets a city already possesses**, rather than what the city wants to become.



An example of successful city branding can be seen in **Dubuque, Iowa** - a city of approximately 60,000 along the Mississippi River lying on the border of Wisconsin, Illinois and Iowa. Dubuque was **long a center of manufacturing and industry** - a fact reflected in the character of its downtown architecture.

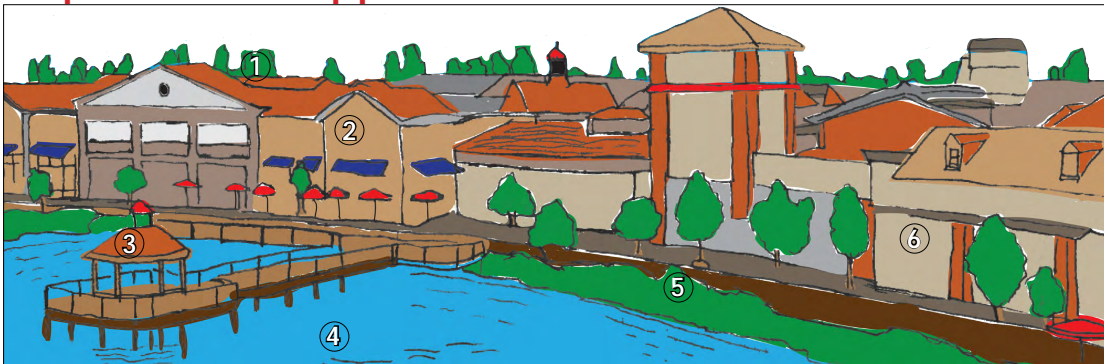


Due in part to the **diversification of Dubuque's economy**, the city had realized an expanding business climate - increasing its tax base and allowing city officials to focus on downtown redevelopment. This district was **transformed from older and vacant buildings into revitalized retail, restaurant and living spaces that embraced the historic manufacturing identity** of the city.

Downtown Dubuque



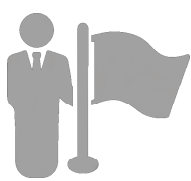
### Proposal: Mississippi Riverfront Retail Node



- 1. Green space connected to retail node
- 2. Restaurant with outdoor riverfront seating
- 3. Gazebo connected to dock
- 4. Mississippi River
- 5. Shoreline path
- 6. Retail space with riverfront view

This rendering illustrates one potential use for the commercial zoning in Ramsey in accordance to the **proposed outdoor recreation, retail identity** for the city (see poster 8).

The natural character of Ramsey lends itself to retail themed around nature and in close proximity to it. Doing so **merges shopping and nature** in a way that provides an experience.



#### A Ramsey Brand Involves Residents

Branding a city does not come solely from the design of a logo or in the creation of a slogan, rather it involves the residents of the city. The Ramsey city government should effectively tap into the ideas and talents of its populace to serve as **ambassadors for and contribute to the development of the "Ramsey Brand"**.



#### A Ramsey Brand Involves Outdoor Activities

The branding of a community involves coordinated activity on the part of community members and the local government to attract potential "customers". Refocusing retail in Ramsey towards locally owned, **outdoor activity-themed shopping will not only empower residents of the city** who strongly identify with Ramsey's more rural character, but also **attract passerby** on U.S. Highway 10 who share those interests.



#### A Ramsey Brand Includes Cultivating Assets

Ramsey has three key assets distinguishing it from other communities in the Twin Cities metro: its **proximity to U.S. Highway 10** - a highway serving as the gateway to hunting and fishing grounds in Central and Northern Minnesota; its **location along the Mississippi River** and access to the resources the river offers; and an **abundance of greenways, parks and undeveloped land**.



#### A Ramsey Brand Involves Linking Land Use to Brands

Ramsey should use land currently zoned commercial to foster their new identity. The city's abundance of land will serve as a parallel to Dubuque's manufacturing district: this **open land will be key to creating an outdoor-oriented identity** for Ramsey.



The creation of the "COR" brand in Ramsey is a step in the right direction, but we believe the city should **take this brand to the next level and expand Ramsey's identity** to access its green space and abundance of available land that make it a unique area in the Twin Cities. Next, we discuss a retail development strategy focused on developing Ramsey's identity through a brick-and-mortar space.

# Surviving the Retail Apocalypse

## Charting the Future of Retail in Ramsey



### Using Existing Assets - Simplify the Process

To **spur economic growth** and encourage retail development Ramsey needs to identify and build on its existing assets, **entrepreneurial potential** and **availability of space**. By identifying the assets that offer the best opportunities for growth, it will be easier to develop and implement strategies to support them.

### How can Ramsey help future development?

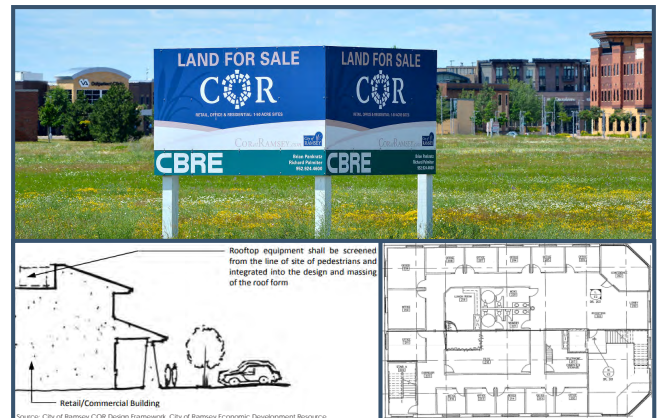
#### Create a Collective Vision

To successfully develop the retail economy, Ramsey must engage residents, business owners, and other stakeholders to collectively develop a vision for the future. Stakeholder engagement helps ensure that plans reflect the community's desires, needs, and goals and generates public support that can maintain momentum for sustainably implementing changes and remain resilient for the future. Community-designed goals with supported plans encourage local action and help build in accountability in the process of accomplishing projects that align with long-term plans.



#### Simplify the Process

Make it easier for interested businesses and developers to invest in the community in ways that support the community's long-term priorities. Tactics to facilitate private-sector investment include streamlining the development process, providing technical assistance, and creating informational guides. Ramsey can create a COR/commercial development resource program that provides developers with an inventory of all the buildings in the retail nodes with information that helps encourage investment, including physical characteristics of buildings, rental rates, ownership, and design requirements.



#### Facilitate Adaptive Reuse of Vacant Land and Buildings

The City of Ramsey has an opportunity to redefine retail for the community. By developing land or repurposing vacant space themselves, the City of Ramsey can create lower-risk, and lower-cost opportunities for entrepreneurs to utilize physical and social assets unique to Ramsey while promoting retail growth in the community. A successful model of this is the Midtown Global Market in Minneapolis. A variety of vendors are all present in a centralized location, promoting a family-friendly and walkable opportunity for residents to shop for many needs at once, creating a retail destination.



#### Use Small Business Development Centers

Minnesota is home to nine Small Business Development Centers (SBDC), with Ramsey located between centers in St. Cloud and downtown Minneapolis. A SBDC can help new businesses at every step of the way, particularly those looking to turn a concept into a reality. Ramsey needs to encourage entrepreneurs to use existing centers for strategic planning, access to capital, and professional guidance and resources they can offer. The City of Ramsey could also invest in a staff position of Small Business Navigator to provide site specific resources and consultations with those looking to start a business.



Successful cities complement retail recruitment by emphasizing their existing assets and distinctive resources. This provides retail options for the community and builds a stronger sense of identity by embracing what Ramsey has to offer. In the next poster, we provide examples of ways Ramsey can redesign retail to embrace recreation and natural resources.

# Surviving the Retail Apocalypse

## Charting the Future of Retail in Ramsey



Strategy #3

### Experience the Character of Ramsey

The traditional retail format is changing. The way people experience stores and restaurants is tied to **recreation and experiences that are important to shoppers**. Ramsey has a landscape **full of natural resources** to explore. A retail market can be shaped around these resources through the creation of expos, recreational destinations and places to spend time with neighbors. Make Ramsey a **place to remember**.



Sunfish Canoe Rental

Create retail identity through outdoor expos and events



- Canoe and boat expos
- Bike or ski fest
- Marathon or fundraising activities



Outdoor Adventure Expo

#### Bring Outdoor Enthusiasts to Ramsey

Ramsey is setup to be the **premier destination for outdoor recreation** activities. A nearby major river, hunting land, and highway for cabin goers makes this location prime for **people who love the outdoors** in the Land of 10,000 lakes. This retail industry can thrive in this environment.



Mississippi River Bicycle Trail

Encourage development of destinations for outdoor enthusiasts



- Themed restaurants
- Accessible and near trails
- Amenities and benches around city



Bike Friendly Lanesboro, MN

#### Enhance the Journey

Utilize the Mississippi River Bike Trail that goes right through the City of Ramsey. Lanesboro has captured tourism traffic for retail and is a **destination for bicycle enthusiasts**. Improvements in the MRT and bike trails through Ramsey will bring additional bicyclists and retailers will follow. Land use plans must be ready to take advantage of this opportunity.



Vacant Retail Space

Turn vacant space into welcoming places for neighbors to stay a while



- Coffee and sandwich shops
- Centrally located
- Transit, available parking and walkable



Inviting Coffee Shop

#### Create Places to Relax

Independent and unique restaurants and coffee shops don't need to be kept only in the city. Ramsey can be in a position to capture the **thriving restaurant and coffee business** that has many eager and young start-ups waiting for their opportunity. With the right resources and property, a new and hip set of restaurants can create the **identity Ramsey desires**.



Proposals to attract retail must **leverage the unique character of Ramsey**. Centering the retail theme on the recreational activities around Ramsey can give people a reason to **visit and stay for a while**.

# Surviving the Retail Apocalypse

## Charting the Future of Retail in Ramsey



### Existing Inventory & Assets

Ramsey, with an abundance of land coupled with a lack of accessibility for shoppers, has had difficulty attracting “big-box” retailers. However, the City does possess a **significant inventory of commercially designated land**. To analyze this asset we propose the following questions:

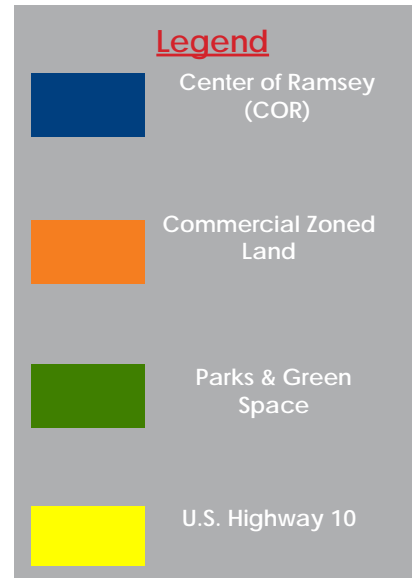
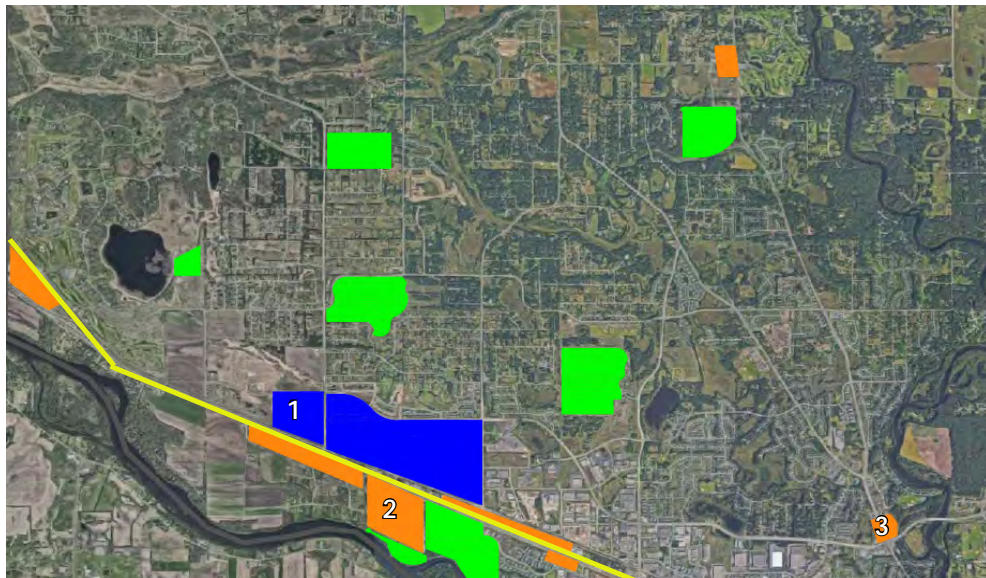


1. Does the current inventory of retail and restaurants **preclude future development**?
2. **What is the character** of the retail inventory in Ramsey?
3. **What can Ramsey offer** to retailers that other communities in Anoka County and beyond cannot?

The sites we have chosen for analysis below include **two open parcels** and **one fully developed site**.

Green shading on the map indicates parks and green spaces - we believe Ramsey should work to **emphasize its natural character in future retail development**.

The open sites (numbered 1 and 2) were chosen due to their **proximity to the COR and to the Mississippi River**, and the developed site (3) was chosen primarily because of its relative distance from the COR, as well as its location at a major intersection in Ramsey.



#### 1. Armstrong Boulevard



#### BENEFITS

**COR Proximity:** this site is located directly west of the COR and its numerous benefits, including a **large proportion of Ramsey's population** and the **North Star rail stop**

**Natural Character:** the **openness** of this site, as well as its **relative proximity to the Mississippi River**, offers an opening for the development of a new retail character



#### DRAWBACKS

**Barriers to Access:** The River does not allow for easy access to this site, as there is no bridge, and the closest crossing from the south is no less than 10 minutes away by car

**Lacking Character:** the retail currently in the COR is **significant and established**, which runs the risk of **redundancy** in this site in terms of potential new retail

#### 2. South of Highway 10



#### BENEFITS

**COR Proximity:** this site lies just across U.S. Highway 10 from the COR, and thus can be **developed in sync** with the rest of this area

**Natural Character:** the site is bordered on the south by **green space and the Mississippi**, which provide **significant landmarks** around which retail may be developed



#### DRAWBACKS

**Barriers to Access:** while the River characterizes this site, it presents a barrier in that the **site cannot be accessed easily** without the construction of a land bridge from the COR or a bridge over the River

**Lacking Character:** despite this site's potential, other retail along U.S. Highway 10 in Ramsey has **struggled to develop consistent character** in terms of its overall commercial offerings

#### 3. St. Francis - Bunker Lake Boulevard



#### BENEFITS

**COR Proximity:** this node is relatively distant from the COR, but its **variety of retail** and level of activity shows that **retail can thrive in Ramsey outside of the COR**

**Natural Character:** while this site is not as close to a river as others in Ramsey, it is proximate enough to both the Mississippi and Rum Rivers such that **green space may serve as an asset** for this node as well



#### DRAWBACKS

**Barriers to Access:** while it is located at one of Ramsey's major intersections, vehicular traffic here is relatively low compared to most successful retail nodes - an issue the city must work to address throughout all of retail sites

**Lacking Character:** there is no common theme that flows throughout this node as a whole, and there is some redundancy in the sort of retail that exists here



Ramsey's main asset for future development is an **abundance of land**, but that benefit in its current state also **represents the greatest obstacle**. In the next poster, we will conclude by revisiting the retail trends we addressed, as well as connect the implications from our proposals to other features of Ramsey.

# Surviving the Retail Apocalypse

## Charting the Future of Retail in Ramsey



### Conclusion and Connections

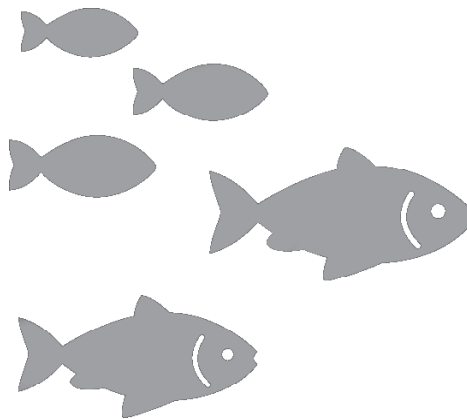
Ramsey faces a unique set of challenges in their **creation of a retail destination for the future**. However, many of the problems in Ramsey can be similarly seen at a regional or national scale. Our proposed solutions attempt to address each general problem directly, **in the context of Ramsey's current assets**. In doing so, we believe, Ramsey will effectively become more **competitive in attracting and retaining retailers**.

#### Changing Global Retail



Globally, **big-box retailers have been downsizing and closing** stores for decades. Large shopping malls are no longer being built across suburban cities, and **many more people are choosing to shop online**. To confront this shifting direction in retail on a national scale, we propose:

#### High Regional Competition



Ramsey lies in an area that is **surrounded by large retail nodes** - Coon Rapids, Otsego and Anoka each have established markets that directly compete with Ramsey. To combat this uncannily **large amount of local competition** for Ramsey, we propose:

#### Experiential Shopping



Large open areas in Ramsey have been designated for commercial development. There are **more than 50 shops and restaurants** currently located across the city, but only a few are located in the COR area of Ramsey. To address this **locational disparity**, we propose:

#### Branding a Unique Identity for Ramsey



Highway 10 represents a perfect opportunity to **establish an identity** for Ramsey that is evident immediately upon one's entrance into the city. Similar to our proposal, the "**Gateway to Greater Minnesota**" project calls for Ramsey to create an outdoor and natural resource themed identity; we believe this brand will **effectively guide Ramsey's development in retail and beyond**.

#### Utilizing Existing Assets in Ramsey



Successful small city retail development lies in the **cultivation of existing assets and inventory**, rather than attempting to attract larger national retailers (i.e. big-box retail). The "**Talent & Tenacity**" project calls for the **establishment of a series of business incubators** in Ramsey aimed at spurring development, a proposal we believe echoes our suggestion of entrepreneurial expansion.

#### Experiencing the Character of Ramsey



Economic and land use tools may be used to **incentivize retail** that characterizes Ramsey in a new light. Through the centering of the theme of retail on **outdoor and recreational activities**, residents of Ramsey will see their interests manifested in the new character of retail, while passerby will have reason to stop and stay in the city itself.



Ramsey initially reacted to market pressures by branding their downtown as the "COR". However, this represents only a small segment of available land in the city. Addressing the identified issues through our three proposed strategies will allow Ramsey to **positively stand out from its competitors and attract retailers for the future**.