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MEMORANDUM

To: Gateway Corridor Project Management Team

CC: Kimley-Horn and Associates, Inc.
SRF Consulting Group

From: HR&A Advisors, Inc.

Date: June 25, 2015

Re: Gateway Corridor DEIS, Task 2 – Station Area Market Analysis

As part of the Gateway Corridor DEIS process, HR&A examined real estate market potential for the areas around each of the proposed stations for the Gateway Corridor dedicated bus rapid transit (BRT) transitway over the next five years. Station locations identified in this memorandum reflect the status of the Gateway project at the time this research was conducted in 2014. Station locations may change as the project develops. This memorandum provides a summary of our market analysis findings and provides our station-level assessment of opportunities, constraints, and market potential for transit-oriented development (TOD). TOD is characterized by its accessibility to, and orientation towards, transit and may accommodate a range of moderate to higher density land uses, which may include office, residential, retail, or institutional uses.¹ Our findings are intended to a) inform community discussion and visioning for each station area in regards to market trends, b) support outreach to real estate developers and institutional partners, and c) guide City and County decisions for station location and investments in infrastructure and public realm that can best support TOD.

The assessment represents our opinion of near-term development potential **over the next five years** at the station level and builds on findings from HR&A's corridor-level market scan (summarized as part of our July 28, 2014 memorandum). Findings are subject to regional and national macroeconomic cycles and the level of growth in Downtown Saint Paul and 3M, anchors which have a substantial impact on market potential along the corridor. Market trends can inform the type and intensity of development that are most likely to occur in the near-term. Given the cyclical nature of real estate markets, HR&A recommends that the Cities and County review and update market potential, and its impact on station area plans, every five to ten years to assess new opportunities for station areas.

¹ HR&A's analysis is based on the Metropolitan Council's definition of TOD in its June 2013 TOD Strategic Action Plan: "A moderate to higher density district/corridor located within easy walking distance of a major transit stop that typically contains a mix of uses such as housing, jobs, restaurants, shops, services, and entertainment."

INTRODUCTION

In order to assess the TOD potential for each station area, HR&A considered two primary factors – market potential and physical feasibility.

1. **Market potential** – To evaluate the market potential for new development over the next five years, HR&A conducted a high-level assessment of market demand and financial feasibility at each of the proposed station areas. Our analysis considers the ability of a transitway to enhance market potential. In cases where TOD may be infeasible in the near-term, defined as the next five years, from a market or financial perspective, public-sector support beyond transitway investment could improve feasibility,² and help generate economic development benefits (e.g., job creation, neighborhood revitalization, or affordable housing) commensurate with potential public investment.

HR&A first evaluated market conditions for residential, retail, office, flex, and industrial uses at the corridor level. For specific station areas, HR&A focused on land uses most compatible with TOD (residential, retail and office, but not industrial or flex) and assessed opportunities and constraints based on existing conditions, station characteristics, and interviews with local real estate developers. In addition, HR&A conducted retail spending analyses to evaluate market demand for new convenience and destination retail development.³

Our key market findings are as follows:

- **There is growing and unmet demand for walkable, mixed-use communities.** According to a Metropolitan Council commissioned study,⁴ more than half of Minnesotans prefer to live in a mixed-use neighborhood with diverse housing, retail, and amenities within walking distance. Within the Twin Cities, by 2040, regional demand for small-lot single-family homes is expected to outpace existing supply by 222,000 units. The study also anticipates an undersupply of 193,000 units for attached housing and an oversupply of 22,000 units for all other homes, including traditional large-lot homes.⁴
- **There is unmet demand for new housing, particularly in the form of single-family attached townhomes.** Townhomes and small-lot single-family homes are compatible with TOD principles, but are less expensive to build than mid-rise multifamily housing. Current sales prices can support new construction as evident by the growing presence of townhomes, for example, inside the new Lennar Savona community under construction in Lake Elmo. Mid-rise multifamily development is not yet feasible outside of Downtown Saint Paul without incentives in the near-term. Rents in the corridor are currently \$1.0-\$1.5 per square foot per month (equivalent to \$700-1,050 for a 1-bedroom) compared to Downtown Saint Paul, where rents currently range from \$1.6-2.6 per square foot (equivalent to \$1,120-1,820 for a 1-bedroom).

² Public-sector interventions may include a combination of rezoning, public realm improvements, land assembly and preparation, financial incentives, and marketing.

³ HR&A assessed convenience retail spending at a 5-minute driving radius from the station and destination retail spending at a broader secondary trade area. See Appendix A for retail spending analysis and study area definitions.

⁴ Nelson, Arthur C.. *Twin Cities Metropolitan Council Area Trends, Preferences, and Opportunities: 2010 to 2020, 2030 and 2040*. June 2014.



Single-family attached transit-oriented townhomes in King Farms, Rockville, MD and Orenco Station, Hillsboro, OR.
Source: BJ Matson (RE/MAX), Bluestone & Hockley

2. Regional employers recognize the importance of transit for employee recruitment and retention.

Employers in the Twin Cities region report that transit access is beneficial for recruiting new talent, particularly highly-skilled young professionals.⁵ Firms often consider transit access when considering a new location and prioritize sites that provide both auto and transit access to the rest of the region. 3M, the largest employer in the corridor, has indicated that the proposed transitway will be beneficial for recruiting and retaining new talent and envisions a convenient and attractive pedestrian access from their campus buildings to the transitway. However, low rents and high vacancies of rentable office property along the corridor suggest limited near-term potential for new office development in the next five years. Rents remain well below the pre-recession peak and are not sufficient for supporting new construction at this time. Vacancy remains high at 19%, with 830,000 of vacant space available throughout the corridor.

Physical feasibility – HR&A evaluated the ability for station areas to accommodate new development by scanning for “soft sites” within each of the station areas with the understanding that certain uses like destination retail, office, and master-planned developments require larger sites, preferably with strong access and visibility from I-94. Specifically for retail and office use, transitway access will provide an amenity, but auto access will continue to be a primary site selection criterion for tenants in the near-term. Therefore, development will typically favor sites that can provide a footprint large enough to accommodate some off-street parking. For the purpose of this assessment, HR&A assumed that vacant properties or underutilized surface parking lots represent soft sites where new development could occur. Development could also occur on other underutilized or distressed properties, or sites that require additional assemblage or redevelopment.

⁵ Corridors of Opportunity. Research on How to Achieve System-Level, Transit Oriented Jobs-Housing Balance. May 2013.

STATION AREA ASSESSMENTS

HR&A assessed each station areas' existing conditions related to the following land uses:

- **Residential** uses with densities ranging from small-lot single-family homes to attached townhomes to mid-rise multifamily buildings;
- **Convenience retail** uses that feature retailers serving a local market area including groceries, health and personal goods, general merchandise, limited-service food, and alcoholic beverage stores;
- **Destination retail** uses that feature retailers serving a regional market area including furniture and home furnishings, electronics and appliance, home improvement, clothing, sporting goods, and full-service dining store types, including both Class A retail centers with high-quality finishes located in desirable locations and Class B/C centers with older buildings located in less desirable locations;
- **Office** uses including Class A buildings with high-quality finishes, Class B buildings with fair to good finishes, and Class C buildings with functional space and below-market rents.

HR&A evaluated the near-term development potential, defined as the next five years,⁶ of each land use in each station area, using the following categories:

- **High:** Strong market and financial feasibility in the near-term, available development sites with minimal or no assembly required;
- **Medium:** Moderate or limited market and financial feasibility in the near-term, potential for medium- or long-term development; some development sites available, some sites may require assembly or redevelopment; and
- **Low:** Limited or very limited market and financial feasibility in the near-term, may have potential for medium- or long-term development; development sites may be limited or may require assembly or redevelopment.

⁶ Medium- and long-term is defined as five or more years.

MOUNDS BOULEVARD

Existing Conditions. Mounds Boulevard station is located in an established single-family neighborhood with some retail activity along E. 3rd Street. Metropolitan State University (Metro State), a higher-educational institution focused on part-time education for working adults, is located approximately 5 minutes walking distance north of the station. The campus is currently undergoing expansion with the completion of a new Science Education Center, Student Center, and parking ramp expected in fall 2016.

Opportunities and Constraints. The station benefits from proximity to Metro State and Downtown Saint Paul and features strong visibility from I-94. However, there is limited existing retail activity and household income is generally lower than the rest of the corridor.

Development Potential. In the medium- or long-term, potential may exist for infill residential and convenience retail development or redevelopment, leveraging the station's proximity to Metro State and Downtown Saint Paul. Over the next five years, there is limited market potential and physical feasibility for new development.

- *Residential: Medium.* There are few soft sites in the station area and as such, development will likely require land assemblage or redevelopment of underutilized or distressed property. Low rents suggest limited near-term market potential for mid-rise residential development. However, there is moderate medium- to long-term development potential due to the station's downtown-adjacent location and existing neighborhood assets (e.g., Metro State, elementary school, park).
- *Convenience Retail: Low.* There is no unmet convenience retail spending potential to be captured.⁷ Soft sites are very limited due to established single-family use. Development will likely occur in conjunction with medium- to long-term residential development and serve as an amenity for building and neighborhood residents.
- *Destination Retail: Low.* Destination retail requires large sites that are not available in the station area. Smaller-scale destination retail, such as sit-down dining, may leverage proximity to Metro State but tend to co-locate with other restaurants and retailers which are better clustered elsewhere in Saint Paul and along the corridor. Further, the station area provides poor visibility from I-94 due to elevation change.
- *Office: Low.* The area is not a competitive location for office development compared to the rest of the corridor.

Recommendations

- **Plan for long-term infill mixed-use development.** The station area presents long-term development potential for residential and convenience retail given its proximity to Downtown and Metro State. Weak market potential and limited soft sites pose a barrier to near-term development.
- **Prioritize bicycle and pedestrian investments connecting the station to Metro State's campus.** Metro State is a major employer and an important part of the region's higher education system. An improved connection will provide employees and students transit access and enhance regional economic development.

⁷ See appendix for retail spending analyses and associated study area.



Mounds Boulevard is located in an established single-family neighborhood (left) anchored by Metropolitan State University (right).
Source: Bing Maps, Flickr (Tony Webster)

EARL STREET

Existing Conditions. Earl Street station is located in a traditional neighborhood center. There is some existing, but dated, retail activity along Hudson Road, a result of the station area's legacy role as a neighborhood center. The surrounding neighborhood consists of largely single-family residential housing, with the exception of Parkway Gardens, a recently built mid-rise senior apartment building.

Opportunities and Constraints. The retail and mixed-use buildings along Hudson Road present an opportunity for adaptive reuse, leveraging the historical character of the area and presence of community assets such as the Mounds Theater. There may be a rationale for public intervention given the presence of legacy retail and the potential to be a revitalized neighborhood center for those within walking or short driving distance. However, the station is located at the southern edge of the neighborhood and provides relatively weak access to I-94.

Development Potential. Over the next five years, there may be opportunities for adaptive reuse of buildings along Hudson Road. In the medium- to long-term, there is potential for infill residential and convenience retail development, which may require public-sector intervention given the relatively high cost of redevelopment.

- *Residential: Medium.* There may be market potential for adaptive reuse of distressed properties along Hudson Road. There is also moderate medium- to long-term development potential for larger-scale redevelopment, particularly with public policy support.
- *Convenience Retail: Low.* There is no unmet convenience retail spending potential to be captured.⁸ Attracting more households will increase spending potential that could be captured by retailers, but more importantly retail can serve as a value-add amenity for residential development projects and an important community amenity as a matter of public policy.
- *Destination Retail: Low.* In addition to the lack of large-scale soft sites, the station area provides relatively weak access to I-94, limiting the trade area and the spending potential that can be captured by new retailers.
- *Office: Low.* The area is not a competitive location for office use compared to other parts of the corridor. Soft sites are very limited and do not offer an adequate footprint for office use.

Recommendations

- **Plan for near-term adaptive reuse and long-term infill mixed-use development.** Existing building stock provides opportunity for reuse and may lay the groundwork for longer-term revitalization efforts.
- **Evaluate public policy options for revitalizing the area as a mixed-use neighborhood center.** Legacy assets, in combination with the introduction of BRT service, provide a unique opportunity to revitalize a historic neighborhood center. Public policy tools may include a combination of rezoning, supportive development finance, public realm improvements, and marketing, among others.

⁸ See appendix for retail spending analyses and associated study area.



Earl Street is a neighborhood center, with legacy retail (left) and community assets such as Mounds Theater (right).
Source: Bing Maps, Mounds Theatre

ETNA STREET

Existing Conditions. Etna Street station provides access to a neighborhood featuring a large, but dated office property, and mid- and high-rise multi-family housing. Metro94, a Class B office complex with relatively strong occupancy (83%), provides flexible, low-cost space for office and industrial tenants. The surrounding neighborhood features several aging garden-style apartment complexes, some single-family housing, and a high-rise public housing complex owned and operated by the Saint Paul Public Housing Agency.

Opportunities and Constraints. The area provides access to I-94, but features a poor pedestrian environment, limiting the ability to walk within the station area. There are some soft sites immediately adjacent to the proposed station.

Development Potential. Near-term development is largely limited by the presence of active uses but may be feasible on vacant soft sites near the proposed station. Redevelopment of active uses will likely be challenging in the medium- to long-term as it will require significantly higher rents to offset the costs of demolition and lost income during the construction period, in addition to the cost of new construction.

- *Residential: Medium.* In the near term, corridor-wide unmet demand for new townhomes could be channeled to this station area on the possible soft sites adjacent to the proposed station.
- *Convenience Retail: Medium.* There is modest unmet convenience retail spending potential to be captured.⁹ Development, if any, will likely occur as part of residential development and serve as an amenity for building and neighborhood residents.
- *Destination Retail: Low.* The station provides strong access and visibility to I-94 but there are no large soft sites to accommodate the footprint of a destination retailer.
- *Office: Low.* The station area is home to Metro94, an existing employment center for the East Side of Saint Paul. Public sector intervention should focus on sustaining and enhancing this existing asset rather than accommodating new development, given the lack of large available soft sites.

Recommendations

- **Determine whether vacant parcels near the proposed station may be available for development.** These parcels are attractive for residential and supporting convenience retail use given their footprint and convenient access to the proposed BRT station and I-94.
- **Improve public realm connections to improve ease of access from Metro94 and existing apartment complexes to the station and potential new development.** Despite proximity to the proposed station, the existing pedestrian environment is poor and discourages transit usage. Amenities and improvements can create a more attractive environment for new development. Connections across I-94 and Etna Street can also enhance residents' access to employment and transit.
- **Evaluate feasibility of long-term partial or full redevelopment of Metro94 as a large-scale TOD project.** Rents for residential and business uses are unlikely to support near-term redevelopment of Metro94 but may support such activities as the corridor matures. Long-term planning should evaluate the feasibility of a partial or full redevelopment given the opportunity presented by the site's large footprint and proximity to the proposed station.

⁹ See appendix for retail spending analyses and associated study area.



Etna Street is home to Metro 94, a Class-B employment center (left), and garden apartment housing (right).
Source: Metro94, Bing Maps

WHITE BEAR AVENUE

Existing Conditions. White Bear Avenue station is located in a Class B retail cluster. The area is characterized by freestanding, auto-oriented convenience retail uses. The surrounding neighborhood features aging garden-style multifamily apartment complexes, some single-family housing, and a senior living facility, located within a former hotel. There is a large, vacant site available for development immediately north of the proposed station.

Opportunities and Constraints. The station is located in an established retail area, immediately adjacent to a large soft site with strong access and visibility to I-94 and suitability for mixed-use development. However, the area features a poor pedestrian environment with few amenities.

Development Potential. Station-adjacent soft site provides an immediate opportunity for mixed-use TOD. Redevelopment of existing sites may be feasible as residential rents become sufficient as the corridor matures, supporting redevelopment.

- *Residential: Medium.* The station-adjacent soft site provides a unique opportunity to create a mixed-use development. In the near-term, there is unmet demand for low-rise townhomes that could be accommodated at this site or there may be strategies to create value to support the feasibility of higher-cost multifamily development.
- *Convenience Retail: High.* There is unmet convenience retail spending potential to be captured, with the highest potential in general merchandise and health and personal care store types.¹⁰ Further, a convenience retailer may serve as an amenity for new residential development.
- *Destination Retail: Medium.* A destination retailer could also be attracted to the station-adjacent site, in addition to residential development. A traditional large-format destination retailer may be viable but will limit the ability to create a mixed-use development given the need for extensive parking.
- *Office: Low.* The station area is not a competitive location for office use when compared to Downtown Saint Paul and other parts of the corridor. Similar to large-scale retail, new office development requires a significant footprint and parking, limiting the ability to create a mixed-use development.

Recommendations

- **Plan and support development of the station-adjacent site.** The station-adjacent site provides an opportunity for residential development that could be amenitized by new retail. Public realm improvements and financial support could also help realize higher investment multifamily housing, rather than lower-rise housing that may be more market feasible.
- **Consider strategies to improve the appeal of the station-adjacent site through public realm improvements at and nearby the site.** Pedestrian improvements can improve the ease of access to the station, and increase the attractiveness of the area to shoppers and households.

¹⁰ See appendix for retail spending analyses and associated study area.



White Bear Avenue station is located in an established retail cluster (left) and features a large site available for TOD (right).
Source: Bing Maps

SUN RAY

Existing Conditions. Sun Ray station is located inside a Class B shopping center of the same name, immediately to the west of 3M's corporate headquarters. The retail center features low- to mid-scale retailers and is anchored by Cub Foods, TJ Maxx, Savers, Blast Fitness, and Dollar Tree. It is the only large-scale shopping center along the corridor west of I-494 and I-694, with approximately 290,000 square foot of gross leasable area.

Opportunities and Constraints. The station is located in an established retail center with healthy occupancy (92%). Sun Ray also benefits from proximity to 3M which is home to approximately 12,200 employees,¹¹ multifamily housing, and a significant number of community amenities (e.g., park, library, community center). However, none of these assets are well-integrated with Sun Ray, limiting its ability to capture retail spending potential.

Development Potential. In the near-term, Sun Ray is unlikely to be redeveloped. However, there may be medium- to long-term potential for full or partial redevelopment of the retail center as tenant leases expire and residential values can justify the cost of redevelopment.

- *Residential: Medium.* Development is unlikely over the next five years. Residential rents and sales prices cannot justify the cost of demolition, lost income, and new construction. Residential may become feasible in the medium- or long-term, with public support and/or if one or more retailers vacate and Sun Ray's owner can earn a higher return from a mixed-use or residential redevelopment of the space.
- *Convenience Retail: High.* There is unmet convenience retail spending potential to be captured from nearby residents and 3M workers.¹² The ability to capture this spending will depend, in part, on improving Sun Ray's integration with adjacent assets through improved auto, transit, and pedestrian access.
- *Destination Retail: Medium.* There is unmet destination retail spending potential that can be captured. Sun Ray benefits from strong access and visibility but a destination retailer may require a larger space that is not currently available within Sun Ray.
- *Office: Low.* The area is not a competitive location for office use compared to other parts of the corridor.

Recommendations

- **Work with owner(s) to plan for long-term phased redevelopment of Sun Ray.** Redevelopment will require a phased approach given the presence of existing retailers, the need for parking, and current residential and office rents, which are too low to justify redevelopment costs. In a phased approach, near-term retail development can orient towards the station and serve as a "Phase I" of a long-term redevelopment plan. As rents for residential or office use increase and as retailers vacate spaces, Sun Ray's owner can undertake phased redevelopment in response to market demand.
- **Integrate and connect Sun Ray with neighboring assets, particularly 3M and the City of Maplewood.** 3M is the largest employer in the corridor and its 12,200 employees provide significant spending potential. In order to maximize Sun Ray's ability to draw 3M worker

¹¹ Based on SRF Consulting analysis of corresponding Transportation Analysis Zone.

¹² See appendix for retail spending analyses and associated study area.

spending, the City of Saint Paul should partner with 3M and the City of Maplewood to enhance pedestrian and auto connectivity between Sun Ray and 3M. Within the City of Saint Paul, similar improvements should be made between Sun Ray, nearby apartments, and community amenities to create an integrated and walkable station area.



Despite its strategic location west of 3M, Sun Ray Shopping Center (left) has poor integration with 3M's corporate campus (right).
Source: Finance & Commerce (Bill Klotz), Fotki (MNCapital)

3M STATION

Note: This station area is situated within the 3M headquarters campus, and its future development potential will almost exclusively be determined by 3M's plans for growth rather than by external market forces. 3M has no immediate plans for new facilities or ancillary development at or near the station. The analysis is intended to inform the planning of ancillary uses around the proposed station should 3M consider the development of commercial uses.

Existing Conditions. The proposed station in Maplewood is located on the south side of 3M's campus and corporate headquarters, which is home to approximately 12,200 employees.¹³ The station is located southeast of Building 220, the main headquarters building, and south of an actively used surface parking lot. With the exception of the Building 220, a 14-story building, the majority of office and R&D facilities on campus are low- or mid-rise. The campus is largely auto-oriented and most employees utilize a 3M-operated shuttle for internal travel. The southwest corner of Tanners Lake, an area planned for redevelopment by the City of Oakdale and within the city limits of Maplewood and Oakdale, is near the proposed station but not within easy walking distance to the station.

Opportunities and Constraints. As the single landowner of the campus and station area, 3M has the opportunity to build new facilities and ancillary uses (e.g., public space, residential, retail, and/or hotel) near the station for corporate and/or public use. Some property owners around the country (e.g., New Balance in Boston, Research Triangle Park near Durham, NC) have embarked on transit-friendly mixed-use development at or near their corporate campuses to create an amenity for employees and capitalize on land value. Although 3M does not have immediate plans for new facilities or ancillary uses, it plans to invest in new bicycle and pedestrian connections to the proposed 3M station. Separately, in order to integrate the station with the Tanners Lake development area, a more convenient pedestrian and/or vehicular connection may be required.

Development Potential. 3M is a major economic driver for the corridor and East Metro and anchors the local real estate market through its own spending and the spending of its employees and visitors. Some of this demand can be captured on its campus and at the station area through new residential, retail, and hotel development. ***As 3M has no immediate plans for ancillary development, the following analysis is only intended to inform planning should 3M decide to pursue commercial development.***

- **Residential:** *To be determined.* Although there is unmet demand for townhome housing on the corridor, creating an environment attractive to potential renters/buyers will likely require new circulation and open space infrastructure.
- **Convenience/Destination Retail:** *To be determined.* 3M employees generate significant retail spending potential before, during, and after their workday.¹⁴ 3M may be able to capture this spending on campus by developing a competitive retail offering that attracts 3M workers, but also those driving along I-94 and those living on the corridor. This new retail could be an amenity for 3M employees wanting convenient and attractive shopping options, and also benefit any broader station area master planned development involving residential and/or hotel uses.
- **Office:** *To be determined.* With limited near-term demand in the competitive office market, building new office space would require 3M resources to attract suppliers or associated firms to locate on 3M's campus at the station area.

¹³ Based on SRF Consulting analysis of corresponding Transportation Analysis Zone.

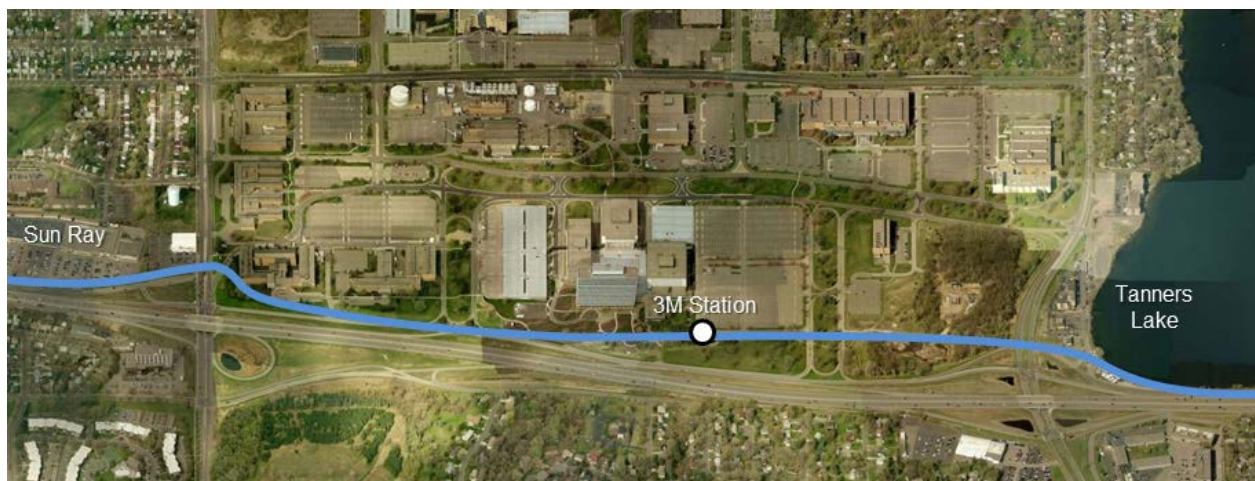
¹⁴ See appendix for employee retail spending analyses.

- *Hotel: To be determined.* 3M may be able to capture spending from business travelers by providing a competitive hotel offering on campus. HR&A did not complete a hotel analyses as part of this assignment, however, we understand that there may be potential demand as evident by planned development in Woodbury and proposed development in Oakdale.

In addition to the 3M campus, the station also serves the Tanners Lake redevelopment area. The area is well-positioned for small-scale mixed-use development due to its strong access to I-94, visibility, and a unique lakefront setting. However, transit is unlikely to significantly enhance development potential as the area does not have a direct or pedestrian-friendly connection to the proposed station.

Recommendations

- **Coordinate with 3M on station area planning for the medium- and long-term.** Station area planning should align with 3M's campus vision and account for future corporate real estate needs.



New development must align with 3M's campus vision and corporate real estate needs.

Source: Bing Maps

GREENWAY AVENUE

Existing Conditions. The Greenway Avenue station is located in the City of Oakdale near the border of the City of Landfall, consisting primarily of a manufactured home community. The station is near two underutilized sites along Hudson Boulevard, a former United Rentals facility and a former AmericInn hotel proposed for conversion into an assisted living facility. The station area is characterized by freestanding retail along Hudson Boulevard, including Harley-Davidson and Indian Motorcycles dealerships, and single-family and manufactured homes to the north.

Opportunities and Constraints. The station area is an established retail corridor anchored by regional retail attractions, Harley-Davidson and Indian Motorcycles. It offers strong visibility but its I-94 access is relatively weak compared to other parts of the corridor. There may be soft sites available along Hudson Boulevard, including the former United Rentals site and some potentially underutilized surface parking.



Key sites at Greenway Avenue station area.

Source: HR&A

Development Potential. New development will be contingent on the availability of suitable parcels, and, over the next five years, would likely be limited to residential use and retail that can leverage existing traffic to nearby retailers.

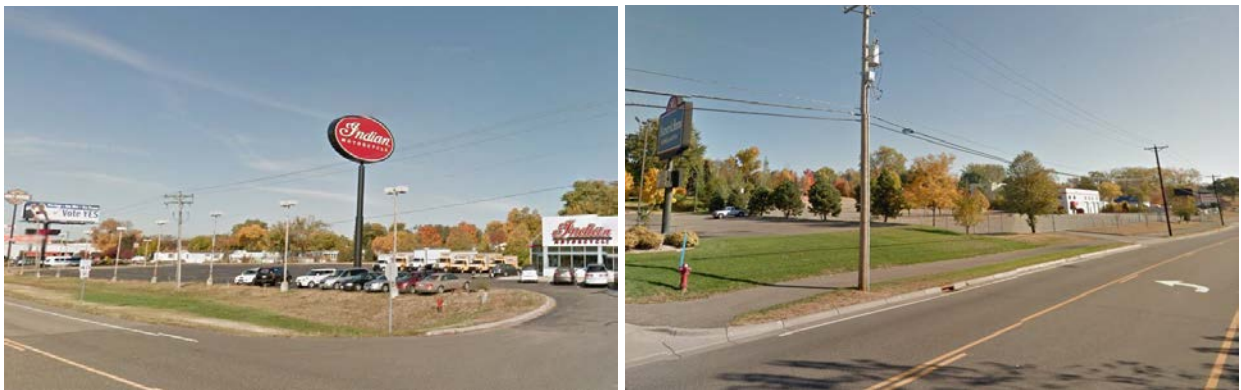
- *Residential: Medium.* The area could capture unmet demand for townhome housing on the corridor. Development feasibility can be enhanced by assistance in land assembly and investments in the public realm.
- *Convenience Retail: Low.* The retail spending analysis indicates there is no unmet convenience spending to be captured.¹⁵ New convenience retail, if any, could be offered as part of a new residential development as an amenity.
- *Destination Retail: Low.* The station area provides relatively weak access to I-94, limiting its appeal to destination retailers. However, there may be opportunity for niche retail uses that can leverage existing traffic to Harley-Davidson and Indian Motorcycles.

¹⁵ See appendix for retail spending analyses and associated study area.

- *Office: Low.* The station area is not a competitive location for office use compared to other parts of the corridor. It does not have suitable sites and has relatively weak I-94 access.

Recommendations

- **Engage property owners to assess their interest and land capacity for small-scale infill development.** Due to the built-up nature of the station area, TOD feasibility will depend on the availability of infill sites such as the former United Rentals property. In addition, the City of Oakdale could engage retailers to determine their current and future parking needs, cognizant of potential right-of-way impacts, and assess their interest in small-scale development if there is capacity to accommodate infill.
- **Enhance development feasibility by investing in infrastructure and the public realm.** The City can create more favorable conditions for private development by creating a more attractive public realm for potential buyers/renters and investing in infrastructure to make soft sites development ready.



Small-scale infill may be feasible at underutilized properties or within retail sites, depending on current and future parking needs.

Source: Bing Maps

THE OAKS

Existing Conditions. The station is located near The Oaks Business Park, a 55-acre partially developed business park. There is approximately 195,000 square feet of existing office and flex property, with capacity for 465,000 square feet of additional office or flex development. The station is also within walking distance of other business parks, including Crossroads of Oakdale and properties along Hayward Avenue; Oak Run Shores, a collection of townhomes and single-family homes; and Oak Marsh Golf Course, a 189-acre privately operated golf course on City of Oakdale-leased land.

Opportunities and Constraints. The station area benefits from strong visibility and direct access to I-94. It also features development sites inside The Oaks which are currently zoned for office/flex use.



Key sites at The Oaks station area.
Source: HR&A

Development Potential. The parcels within The Oaks are entitled and envisioned to be a location for office and flex development, but given the near-term weakness of the office market, some residential development could be marketable within the next five years.

- *Residential: High.* These sites provide an opportunity to capture unmet near-term demand for low-rise townhomes, similar to those in Oak Run Shores. In order to create an environment attractive to potential renters/buyers, the station area would need some level of amenities such as open space, pedestrian-friendly streets, and convenience retail.
- *Convenience Retail: Low.* The retail spending analysis indicates there is no unmet convenience spending to be captured.¹⁶ However, a developer may attract convenience retailers to a new development, to serve as an amenity for nearby residents and businesses.
- *Destination Retail: Low.* The site is not a competitive location for destination retail compared to adjacent station areas with stronger access to I-94 (e.g., Inwood, Keats, Manning).

¹⁶ See appendix for retail spending analyses and associated study area.

- **Office: Low.** The station area is a moderately competitive location for office/flex development in the medium- and long-term with an improved office market. The sites benefit from entitlements being in place, strong access to I-94/I-695, and proximity to an existing concentration of office/flex within and near The Oaks.

Recommendations

- **Explore transit-friendly mixed-use development at The Oaks Business Park.** Although The Oaks is planned for office and flex use, there is limited market support for additional development in the near term. In contrast, there is market potential for townhome housing. The sites at The Oaks offer capacity to accommodate both employment and residential uses and can support an attractive mixed-use community with open space and/or amenity retail.
- **Enhance the public realm within the station area.** There is a significant concentration of existing business and residential uses to the north and to the west of the proposed station. Improving the public realm, including open space and pedestrian connections to adjacent uses such as Crossroads Business Park and Oak Run Shores, can create a more attractive environment for potential residents and businesses.



The Oaks, a partially developed business park, provides a unique opportunity to create a mixed-use transit-oriented community.

Source: Bing Maps

INWOOD AVENUE

Existing Conditions. The Inwood Avenue station is located in an auto-oriented area characterized by destination retail and business uses. Primary uses include Oakdale Village, a 164,900 SF retail strip center anchored by Best Buy, HomeGoods, and Sports Authority; Guardian Angels Catholic Church, whose parking also serves as a park-and-ride facility for Metro Transit; Oak Meadows, a senior housing community; and Oak Marsh Golf Course. Eagle Point Business Park, a partially developed 121-acre business park developed by United Properties, is located east of Inwood Avenue and is home to a hotel as well as office, medical, and educational tenants.

Opportunities and Constraints. The station area benefits from strong access and visibility from I-94. The station area also features large, entitled soft sites, largely located inside Eagle Point Business Park. However, BRT's ability to enhance development potential east of Inwood Avenue is likely limited without pedestrian improvements across the arterial. There is active development in the station area, including a proposed hotel at Oak Marsh Golf Course, a proposed medical clinic and school inside Eagle Point Business Park, and a mixed-use development north of Eagle Point, where Azure Properties and Hans Hagen Homes have proposed to develop 273 single-family units, 264 townhomes, 150 multi-family units, and approximately 69,000 square feet of commercial/office uses.



Key sites at Inwood Avenue station area.

Source: HR&A

Development Potential. Soft sites near the station and east of Inwood Avenue provide an opportunity for new mixed-use development and potentially in a TOD format.

- *Residential: Medium.* There is unmet demand for new townhomes and the soft sites in the station area are suitable for residential development in addition to office and retail uses. Residential use may require a change in entitlements and potentially infrastructure and public realm investments to improve marketability.

- *Convenience Retail: Low.* The retail spending analysis indicates there is no unmet convenience spending to be captured.¹⁷ However, convenience retail may be developed as an amenity for nearby businesses and residents.
- *Destination Retail: Medium.* The retail spending analysis indicates there is unmet destination spending to be captured and some soft sites may provide the footprint to accommodate new development. However, further development reduces land capacity for residential development.
- *Office: Low.* There is limited near-term market support for new development but build-to-suit, owner-occupied, or niche uses (e.g., medical, institutional) may be viable. The sites provide a competitive location for new development if office demand recovers in the medium- or long-term.

Recommendations

- **Explore mixed-use development incorporating a mix of office, residential, and retail uses.** The station area is currently dominated by office and retail use. Adding residential use can support the creation of a town center environment by balancing the land use mix and introducing activity throughout the day. Residential development may require changes in entitlement and investments in infrastructure and the public realm. Azure/Hans Hagen's proposal, which includes both townhomes and multifamily housing, demonstrates market support for additional residential use. Public financial support could enhance financial feasibility and encourage a higher proportion of mid-rise multifamily housing as opposed to lower-rise townhomes.
- **Improve connectivity among key destinations in the station area.** In order to link the soft sites to the station area and the retail offerings in the station area, the City of Oakdale and City of Lake Elmo should partner with major property owners to enhance connectivity among existing uses such as Oakdale Village, Eagle Point, and Guardian Angels, and future uses such as the Azure/Hans Hagen development.
- **Engage nearby property owners to identify excess land capacity and interest in development.** Major properties such as Guardian Angels Church and Oak Meadows may have excess land available for development. New development can provide an amenity for their members and an additional source of income to support their mission/operations.



Oakdale Village (left) and Eagle Point Business Park (right) may serve as anchors for a mixed-use town center at Inwood Avenue.

Source: Margolis Company, United Properties

¹⁷ See appendix for retail spending analyses and associated study area.

KEATS AVENUE

Existing Conditions. The Keats Avenue station is located in a greenfield location with residential and commercial development underway. North of the station are Lennar's Savona development, a subdivision with approximately 190 single-family and 122 townhome units, and Hammes Estates, a 164-unit single-family subdivision. A Kwik Trip gas station and convenience store recently opened south of the station, at the southwest corner of Keats Avenue and Hudson Boulevard. Other major landowners in the station area include Stonehenge, MFC Properties, and the Ebertz family.

Opportunities and Constraints. While much of the station area is under development, remaining properties immediately northwest of the station do not yet have specific development plans, providing an opportunity to shape future development to be in a TOD format. These parcels are currently zoned for commercial use, which limits residential uses similar to the Lennar development to the north.



The City of Lake Elmo should encourage planning and collaboration between station area landowners.

Source: HR&A

Development Potential. Large-scale soft sites west of the station provide an opportunity to create mixed-use developments focused on residential and retail use.

- *Residential: Medium.* There is unmet demand for new townhomes in the corridor and soft sites are available to support new development. Due to the large scale of development sites, there is opportunity to create residential developments that are oriented towards transit.
- *Convenience Retail: Low.* The retail spending analysis indicates there is no unmet convenience spending to be captured.¹⁸ However, convenience retail may be developed in conjunction with residential use as an amenity for nearby residents. Our analyses accounts for demand from existing residents and does not account for convenience retail demand from new residential developments underway.
- *Destination Retail: Medium.* The retail spending analysis indicates there is unmet destination spending to be captured and large-scale soft sites allow for flexible site configurations. However, large-format retail typically requires a significant footprint and reduces land capacity for residential or office development.

¹⁸ See appendix for retail spending analyses and associated study area.

- *Office: Low.* There is limited market support in the near-term but new development may occur in the form of build-to-suit, owner-occupied, or niche uses. The area benefits from strong access and visibility to I-94 but is a less competitive location compared to Eagle Point Business Park at Inwood Avenue due to its distance from existing business anchors such as Downtown Saint Paul and 3M.

Recommendations

- **Facilitate planning and collaboration among station area landowners.** In order to support the development of a cohesive station area, the City of Lake Elmo should engage landowners in the immediate station area (Lennar, MFC, Stonehenge, and Ebertz) to create a station area master plan with guidelines for density, land use, layout, etc.. To pursue TOD in the station area, the City could also facilitate land assembly as appropriate to foster development, encourage connectivity among neighboring developments to improve walkability, and consider financial support to support mid-rise multifamily development in addition to lower-rise townhomes that may be market-supportable.

MANNING AVENUE (SOUTH)

Note: In preparation for engineering and implementation of BRT service, and in order to ensure that development near the Manning South Station is in alignment with the City's vision, the City of Woodbury intends to lead the station area planning process with assistance from the Gateway Corridor project team. The following information is intended to be a resource for the City of Woodbury for their planning process.

Existing Conditions. The proposed Manning Avenue South station is located in a greenfield location in the City of Woodbury. The entirety of the station area is part of Red Rock Territories, a multi-phase 450+ acre business park proposed by Stonehenge. Current plans call for largely office, industrial and flex uses, with some residential use.

Opportunities and Constraints. An undeveloped station area of this scale creates a “blank canvas” condition, well-suited for master planned development. Further, with full site control, the landowner is generally incentivized to create amenities critical to TOD success (e.g., public space, specialty retail, trails, shared parking) that create long-term value. The City of Woodbury's zoning and vision calls for primarily commercial uses and a limited amount of residential.



Current zoning limits residential use to the small portion of the site (southeast). Additional residential use can be complementary to planned business uses by providing a first-mover and establishing a mixed-use environment attractive to corporate tenants.

Source: Stonehenge

Development Potential. The station area presents a near-term market opportunity for residential development, and offers an environment that may be desirable for retailers and in the longer-term, office tenants.

- **Residential: High.** There is unmet demand for new townhomes and single-family homes on the corridor. Residential development can be complementary with employment uses by acting as a first mover and creating an environment attractive for future office, industrial or flex development.
- **Convenience Retail: Low.** The retail spending analysis indicates there is no unmet convenience spending to be captured.¹⁹ However, new convenience retail may serve as an amenity for nearby businesses or residents as part of a master planned development. Our analyses accounts for

¹⁹ See appendix for retail spending analyses and associated study area.

demand from existing residents and does not account for convenience retail demand from new developments, of which the use, timing, and scale is to be determined.

- *Destination Retail: Medium.* There is unmet destination retail spending to be captured. The area is a moderately competitive location due to its access and visibility from I-94 and the potential for very flexible site configurations. However, it is far from existing population centers relative to other available development sites.
- *Office: Low.* In the near-term, the corridor has limited market support for new office with the exception of build-to-suit, owner-occupied, or niche uses. The area is also a less competitive location due to its distance from existing business areas and the availability of development sites at more attractive locations (e.g., Tamarack Hills, City Place, The Oaks, Eagle Point).

MANNING AVENUE (NORTH)

Existing Conditions. The Manning Avenue North station is a proposed additional station located in a greenfield location in the City of Lake Elmo. EN Properties controls an approximately 60-acre site immediately adjacent to the proposed additional station location under consideration. The proposed additional station is also near the Vali-Hi Drive-In in the City of Lake Elmo and a Holiday Station store gas station/convenience store in nearby West Lakeland Township.

Opportunities and Constraints. An undeveloped station area provides a “blank canvas” suitable for master-planned development. The EN Properties parcel provides a contiguous 60-acre site for a master developer to create a mixed-use community with amenities that create long-term value (e.g., public space, specialty retail, trails, shared parking). The City of Lake Elmo’s comprehensive plan zoning and vision calls for mixed-use development near the station, higher-density residential to the north, and business park uses along Hudson Boulevard. Metro Transit is considering locating a park-and-ride facility at the southwest corner of Manning Avenue and Hudson Boulevard. This facility may reduce potential development costs by providing shared parking for any uses that develop adjacent to the park-and-ride.



The station area is largely undeveloped and provides a blank canvas for master planned development. Additional residential use can be complementary to planned business uses by providing a first-mover and establishing a mixed-use environment attractive to corporate businesses.

Source: HR&A

Development Potential. The station area is suitable for a master-planned mixed-use community with a mix of residential, retail, and longer-term employment uses.

- *Residential: High.* There is unmet demand for new townhomes and single-family homes on the corridor. Current zoning allows for mixed-use development at the station-adjacent parcel and residential development on parcels to the north.
- *Convenience Retail: Low.* The retail spending analysis indicates there is limited unmet convenience spending to be captured.²⁰ However, new convenience retail may serve as an amenity for nearby businesses or residents as part of a master planned development. Our analyses accounts for demand from existing residents and does not account for convenience retail demand from new developments, of which the use, timing, and scale is to be determined.
- *Destination Retail: Medium.* There is unmet destination retail spending to be captured. The area is a moderately competitive location due to its access and visibility from I-94 and the potential for very flexible site configurations. However, it is far from existing population centers relative to other available development sites.
- *Office: Low.* In the near-term, the corridor has limited market support for new office with the exception of build-to-suit, owner-occupied, or niche uses. The area is also an uncompetitive location due to its distance from existing business areas and the availability of development sites at more attractive locations (e.g., The Oaks, Eagle Point).

Recommendations

- **Explore the potential for extending mixed-use zoning to other parts of the station area.** There is opportunity for mixed-use development in areas currently zoned for business park uses along Hudson Boulevard. While office and industrial development may be viable in the medium- or long-term, near-term residential development can be complementary and help establish an attractive environment with amenities for potential businesses.

²⁰ See appendix for retail spending analyses and associated study area.

APPENDIX: RETAIL SPENDING ANALYSES

In addition to our assessment of opportunities and constraints, HR&A conducted retail spending analyses to determine market potential for new convenience and destination retail development.



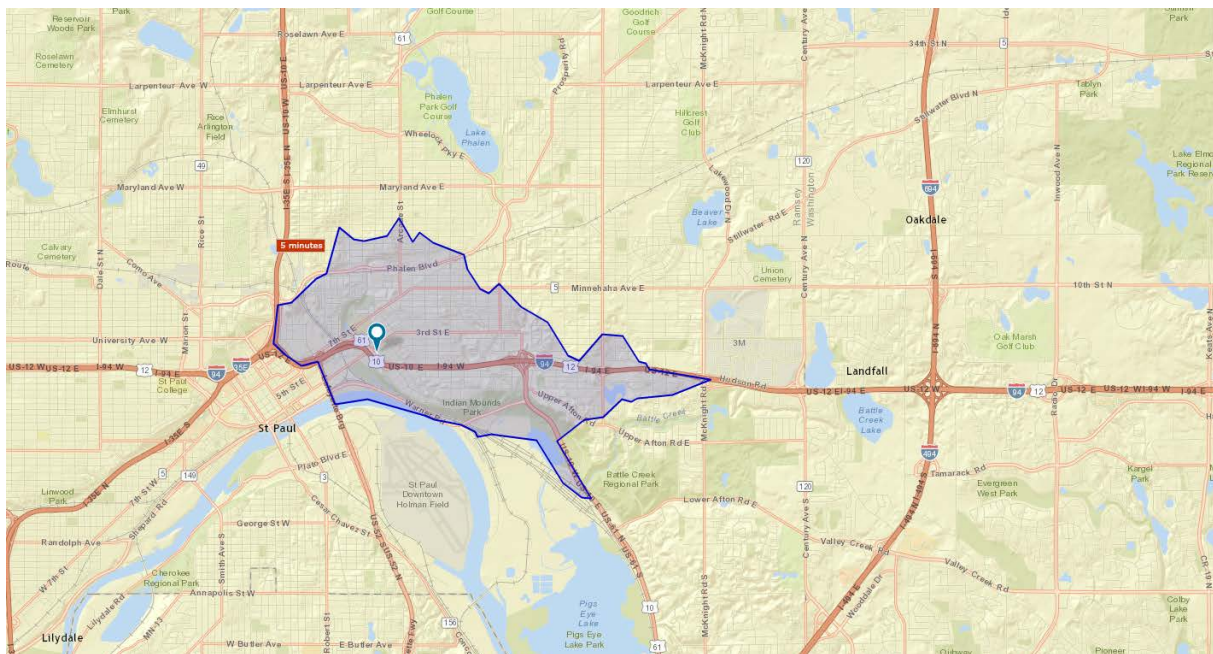
Convenience and destination retail can be seamlessly integrated into walkable, transit-oriented environments. Examples include Hi-Lake Center, Minneapolis, MN (left, convenience) and in Charlotte, NC (right, destination).

Source: Pope Architects, SkyscraperCity

HR&A's analysis compares the annual spending potential of residents against existing sales to estimate the leakage or surplus of retail spending from a study area. For convenience retail, HR&A assessed retail spending for all stations and assumed a primary trade area of a 5-minute driving radius from the proposed stations. For destination retail, HR&A limited analysis to stations with physical feasibility for destination retail and assessed spending at a broader secondary trade area. A summary of the retail spending analyses and associated study areas follows.

Mounds Blvd (Convenience). There is very limited unmet convenience retail spending potential to be captured. Although there is some leakage in general merchandise and miscellaneous retailer spending leakage, market potential is generally weak and new retail will likely serve as an amenity for nearby residents.

Store Type	Demand (Spending Potential)	Supply (Current Sales)	Gap (Surplus/Leakage)
Grocery	\$25,200,000	\$72,300,000	(\$47,100,000)
Health & Personal Care	\$11,000,000	\$13,400,000	(\$2,400,000)
General Merchandise	\$29,300,000	\$23,600,000	\$5,700,000
Miscellaneous Store Retailers	\$3,800,000	\$1,400,000	\$2,400,000
Limited-Service Eating Places	\$9,600,000	\$11,700,000	(\$2,100,000)
Drinking Places - Alcoholic Beverages	\$800,000	\$1,200,000	(\$400,000)
Total	\$79,700,000	\$123,600,000	(\$43,900,000)

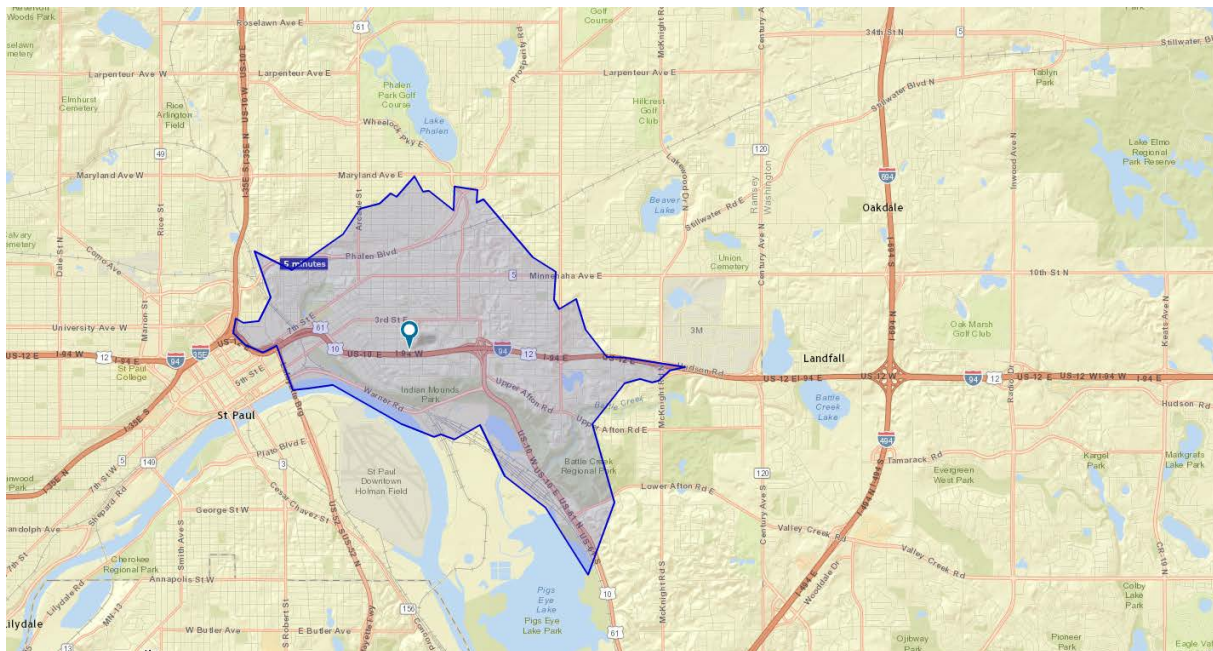


Study area is a 5-minute driving radius, excluding Downtown and West Side Saint Paul.

Source: ESRI Business Analyst

Earl Street (Convenience). There is very limited unmet convenience retail spending potential to be captured. Market potential is generally weak but there may be a rationale for public-sector intervention as new retail will serve as an amenity for nearby residents and revitalize Earl Street as a neighborhood center.

Store Type	Demand (Spending Potential)	Supply (Current Sales)	Gap (Surplus/Leakage)
Grocery	\$34,500,000	\$78,700,000	(\$44,200,000)
Health & Personal Care	\$15,000,000	\$20,100,000	(\$5,100,000)
General Merchandise	\$40,100,000	\$24,100,000	\$16,000,000
Miscellaneous Store Retailers	\$5,200,000	\$1,800,000	\$3,400,000
Limited-Service Eating Places	\$13,200,000	\$13,000,000	\$200,000
Drinking Places - Alcoholic Beverages	\$1,100,000	\$1,300,000	(\$200,000)
Total	\$109,100,000	\$139,000,000	(\$29,900,000)

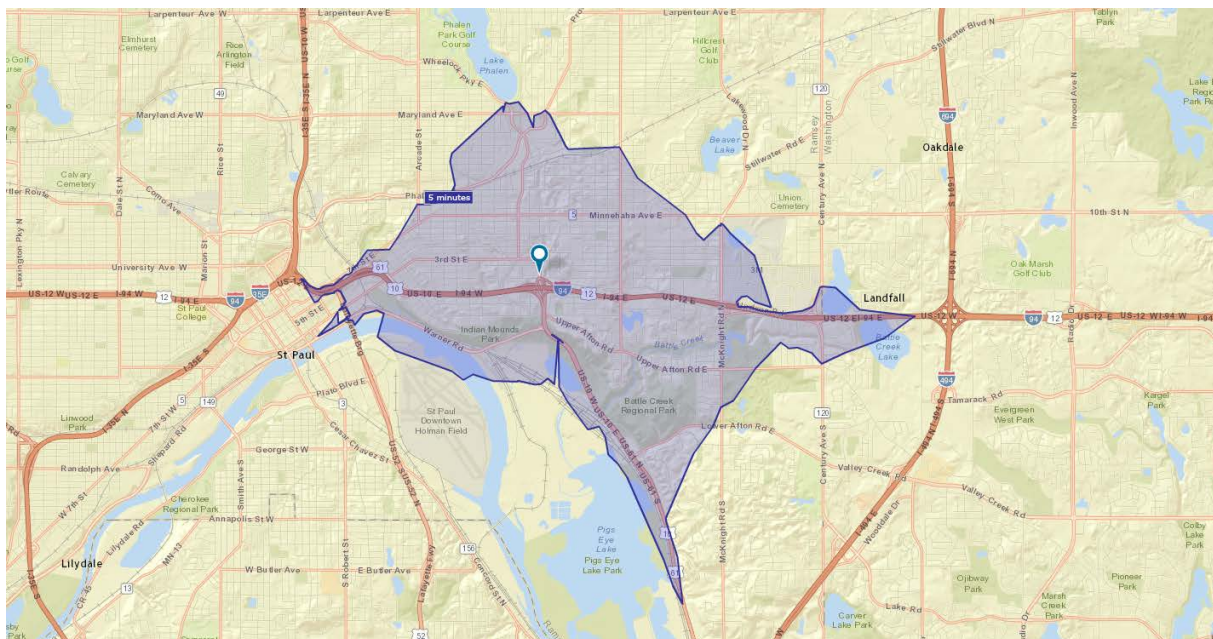


Study area is a 5-minute driving radius, excluding Downtown and West Side Saint Paul.

Source: ESRI Business Analyst

Etna Street (Convenience). There is modest unmet convenience retail spending potential to be captured, with the largest potential in general merchandise and limited-service eating places. New retail will serve as an amenity for nearby residents and employees at Metro94.

Store Type	Demand (Spending Potential)	Supply (Current Sales)	Gap (Surplus/Leakage)
Grocery	\$49,600,000	\$78,500,000	(\$28,900,000)
Health & Personal Care	\$22,000,000	\$24,200,000	(\$2,200,000)
General Merchandise	\$57,900,000	\$24,400,000	\$33,500,000
Miscellaneous Store Retailers	\$7,600,000	\$1,600,000	\$6,000,000
Limited-Service Eating Places	\$19,000,000	\$16,300,000	\$2,700,000
Drinking Places - Alcoholic Beverages	\$1,600,000	\$1,300,000	\$300,000
Total	\$157,700,000	\$146,300,000	\$11,400,000

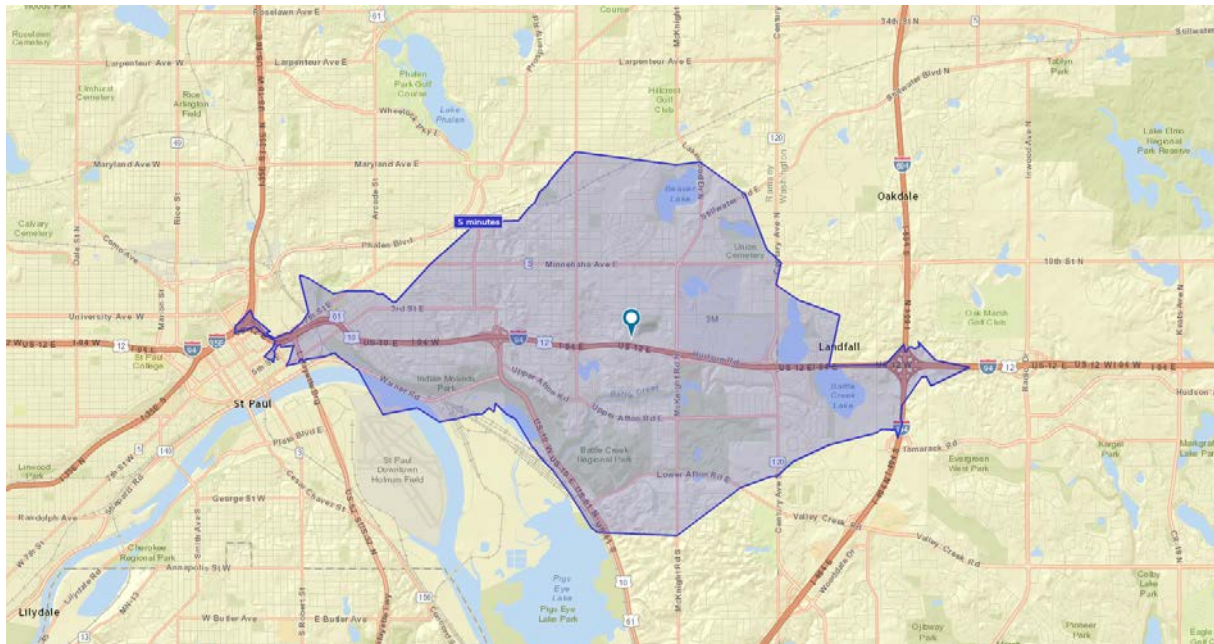


Study area is a 5-minute driving radius.

Source: ESRI Business Analyst

White Bear Avenue and Sun Ray (Convenience). There is unmet convenience retail spending potential to be captured, with the largest potential in general merchandise, health and personal care, and limited-service eating places. The ability to capture this spending will depend, in part, on improving the station areas' access to 3M, nearby multifamily properties, and other traffic generators in the community.

Store Type	Demand (Spending Potential)	Supply (Current Sales)	Gap (Surplus/Leakage)
Grocery	\$73,600,000	\$64,500,000	\$9,100,000
Health & Personal Care	\$38,600,000	\$18,900,000	\$19,700,000
General Merchandise	\$86,000,000	\$30,300,000	\$55,700,000
Miscellaneous Store Retailers	\$18,200,000	\$1,600,000	\$16,600,000
Limited-Service Eating Places	\$31,200,000	\$20,400,000	\$10,800,000
Drinking Places - Alcoholic Beverages	\$4,100,000	\$1,000,000	\$3,100,000
Total	\$251,700,000	\$136,700,000	\$115,000,000

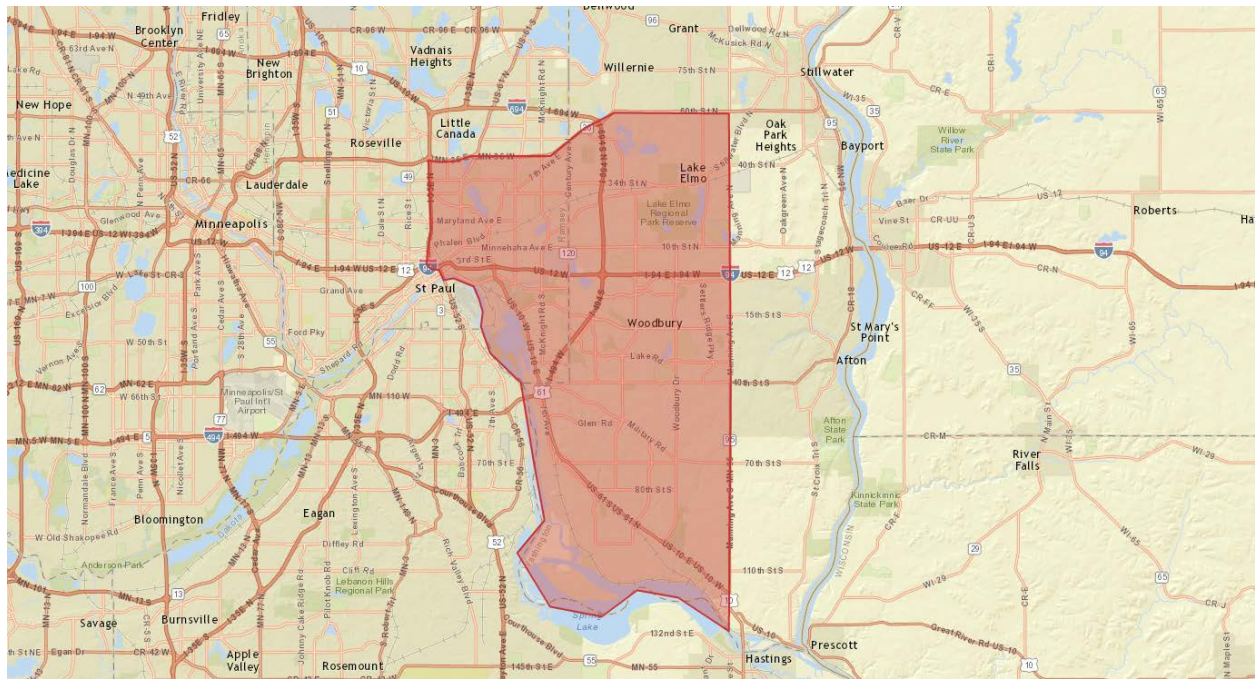


Study area is a 5-minute driving radius.

Source: ESRI Business Analyst

White Bear Avenue and Sun Ray (Destination). There is unmet destination retail spending potential to be captured, with the largest potential in full-service restaurants, home improvement, and electronics. White Bear and Sun Ray both benefit from good access and visibility but the ability to capture this spending depends on the area's ability to reposition itself as a regional destination and providing a soft site that can accommodate a destination retailer.

Store Type	Demand (Spending Potential)	Supply (Current Sales)	Gap (Surplus/Leakage)
Furniture & Home Furnishings Stores	\$67,300,000	\$33,300,000	\$34,000,000
Electronics & Appliance Stores	\$79,000,000	\$46,400,000	\$32,600,000
Building Materials & Home Improvement	\$112,400,000	\$74,300,000	\$38,100,000
Clothing & Accessories	\$162,700,000	\$163,400,000	(\$700,000)
Sporting Goods, Hobby, Book & Music	\$75,100,000	\$61,000,000	\$14,100,000
Full-Service Restaurants	\$147,000,000	\$76,900,000	\$70,100,000
Total - Destination Retail	\$643,500,000	\$455,300,000	\$188,200,000



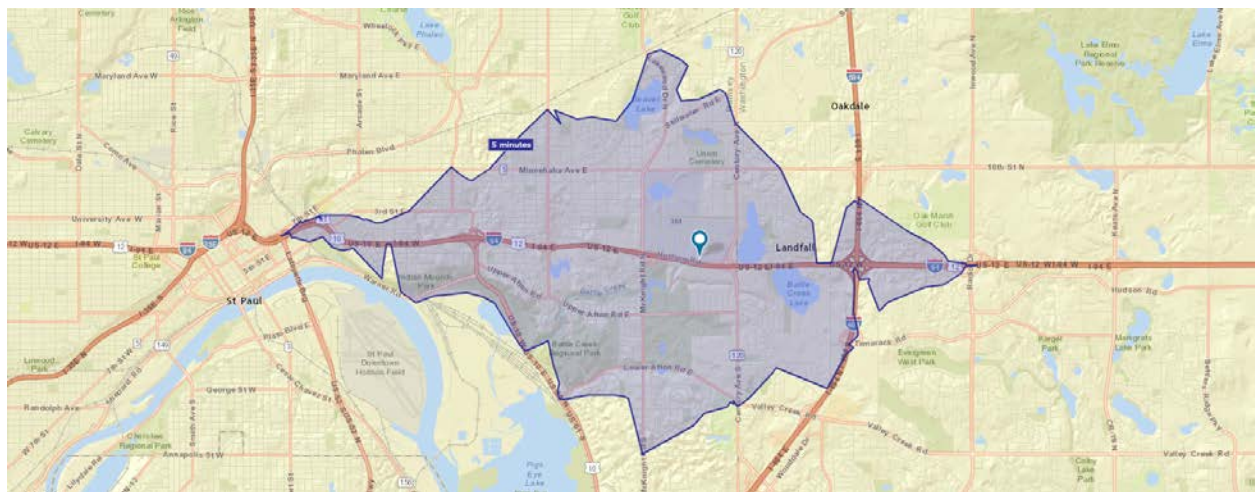
Study area assumes a regional destination drawing retail spending from greater East Metro.

Source: ESRI Business Analyst

3M Station (Convenience). There is unmet convenience retail spending potential to be captured, with substantial demand generated by 3M employees.²¹ The ability to capture this demand depends on 3M's interest in retail as an amenity for its employees or as part of a broader development.

Generally, HR&A's analysis compares the annual spending potential of residents within a 5-minute driving radius (demand) against existing sales (supply) to estimate the leakage or surplus of retail spending from a study area. Specifically for the 3M station, HR&A also estimated the spending potential of 3M employees. The analyses accounts for office worker spending going to work, during the business day, and after work before returning home, excluding any spending on transportation or spending conducted online or on non-business days.

Store Type	Resident Demand (Spending Potential)	Employee Demand ²² (Spending Potential)	Supply ²³ (Current Sales)	Gap (Surplus/Leakage)
Grocery	\$60,800,000	\$10,300,000	\$93,300,000	(\$22,200,000)
Health & Personal Care	\$27,700,000	\$11,100,000	\$34,900,000	\$3,900,000
General Merchandise	\$71,500,000	\$9,500,000	\$28,300,000	\$52,700,000
Miscellaneous Store Retailers	\$9,500,000	\$9,100,000	\$2,300,000	\$16,300,000
Limited-Service Eating Places	\$23,500,000	\$8,300,000	\$26,600,000	\$5,200,000
Drinking Places - Alcoholic Beverages	\$2,000,000	\$2,200,000	\$2,000,000	\$2,200,000
Total	\$195,000,000	\$50,500,000	\$187,400,000	\$58,100,000



Study area is a 5-minute driving radius.

Source: ESRI Business Analyst

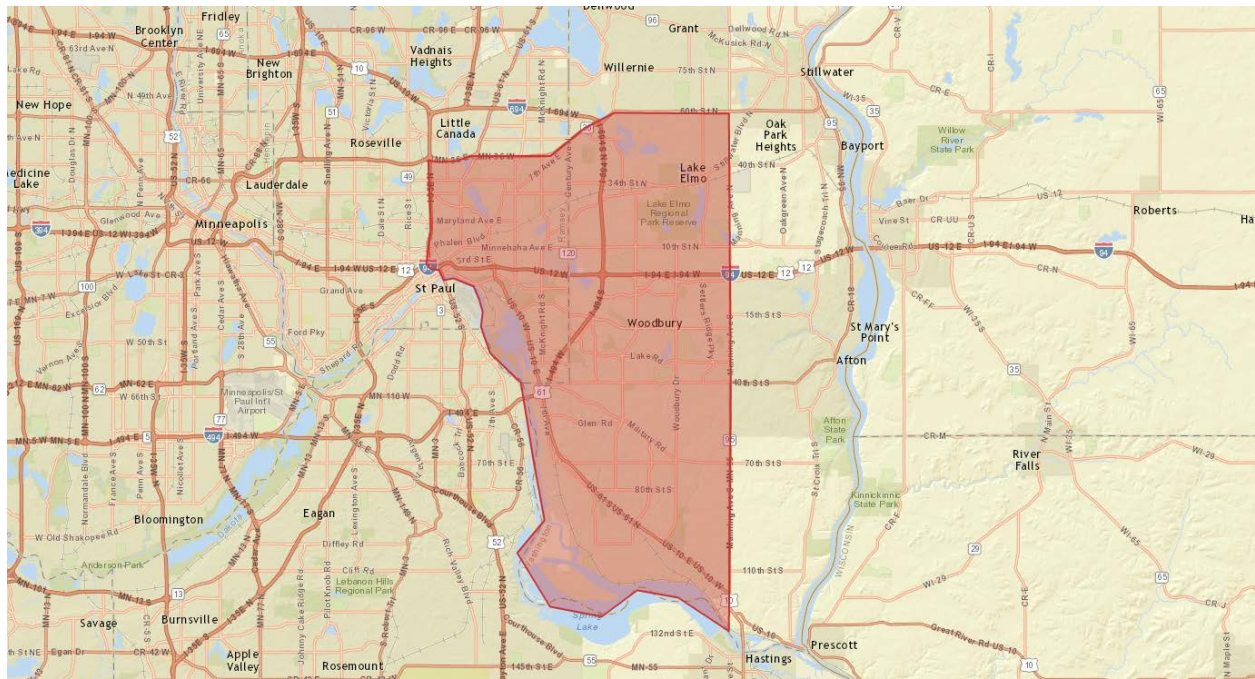
²¹ Approximately 12,200 are employed at 3M's Maplewood campus, based on SRF Consulting analysis of the corresponding Transportation Analysis Zone.

²² Employee demand includes spending from all 3M employees, including resident-employees who may live within a 5-minute driving radius. In order to estimate the number of resident-employees and the potential for double-counting spending potential, HR&A analyzed Census data and found that only ~600 residents live and work within the study area and earn over \$40,000 (corresponding with the profile of a potential resident-employee). Since the actual number of resident-employees is likely to be lower given other employment centers in the area, we have included all employee spending for the purpose of this analysis.

²³ Retail sales data likely excludes sales occurring within 3M campus. However, we understand that the campus contains limited retail use.

3M Station (Destination). There is unmet destination retail spending potential to be captured, with the largest potential in full-service restaurants, home improvement, and electronics. 3M's campus benefits from good access and visibility but the ability to capture this spending depends developing a competitive retail offering that attracts not only 3M workers, but also those driving along I-94 and those living on the corridor.

Store Type	Demand (Spending Potential)	Supply (Current Sales)	Gap (Surplus/Leakage)
Furniture & Home Furnishings Stores	\$67,300,000	\$33,300,000	\$34,000,000
Electronics & Appliance Stores	\$79,000,000	\$46,400,000	\$32,600,000
Building Materials & Home Improvement	\$112,400,000	\$74,300,000	\$38,100,000
Clothing & Accessories	\$162,700,000	\$163,400,000	(\$700,000)
Sporting Goods, Hobby, Book & Music	\$75,100,000	\$61,000,000	\$14,100,000
Full-Service Restaurants	\$147,000,000	\$76,900,000	\$70,100,000
Total - Destination Retail	\$643,500,000	\$455,300,000	\$188,200,000

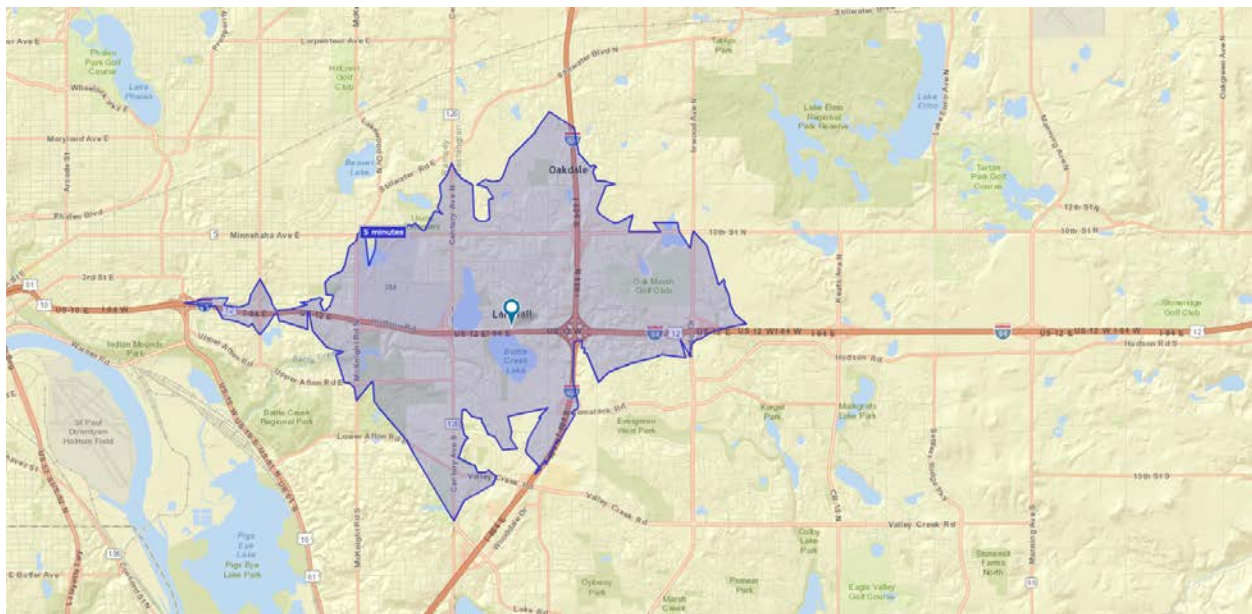


Study area assumes a regional destination drawing retail spending from greater East Metro.

Source: ESRI Business Analyst

Greenway Avenue (Convenience). There is very limited unmet convenience retail spending potential to be captured. Although there is some leakage in general merchandise, market potential is generally weak and new retail will likely serve as an amenity for nearby residents.

Store Type	Demand (Spending Potential)	Supply (Current Sales)	Gap (Surplus/Leakage)
Grocery	\$47,300,000	\$73,700,000	(\$26,400,000)
Health & Personal Care	\$20,900,000	\$37,000,000	(\$16,100,000)
General Merchandise	\$57,600,000	\$36,100,000	\$21,500,000
Miscellaneous Store Retailers	\$6,900,000	\$3,500,000	\$3,400,000
Limited-Service Eating Places	\$17,400,000	\$30,800,000	(\$13,400,000)
Drinking Places - Alcoholic Beverages	\$1,400,000	\$700,000	\$700,000
Total	\$151,500,000	\$181,800,000	(\$30,300,000)

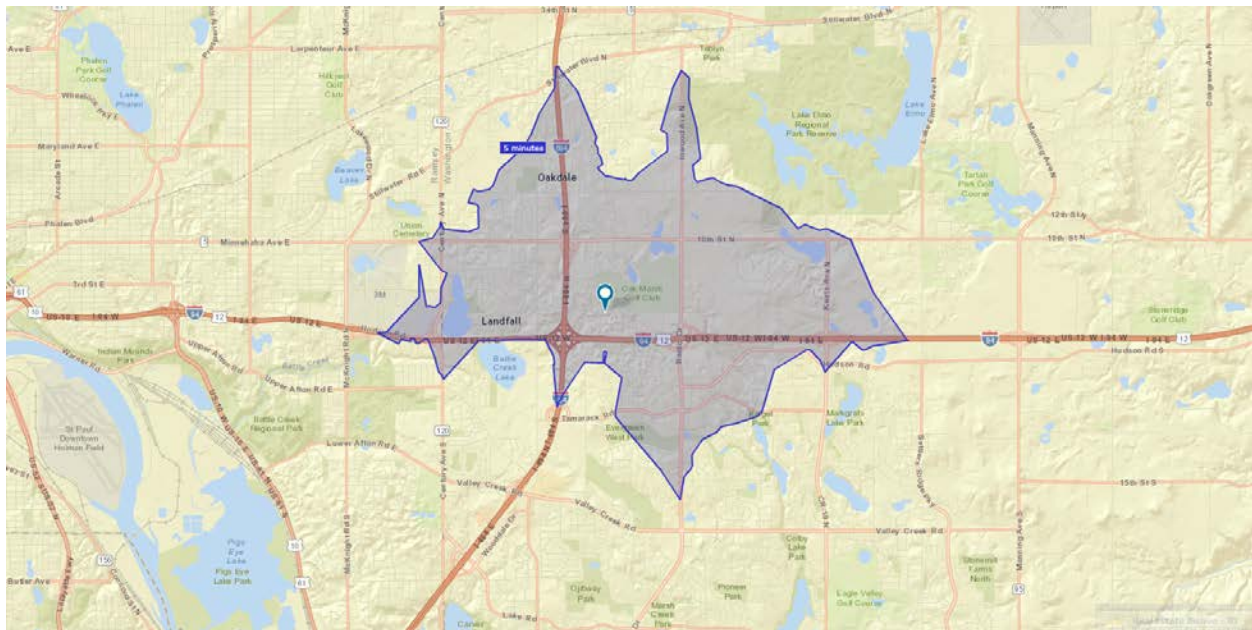


Study area is a 5-minute driving radius.

Source: ESRI Business Analyst

The Oaks (Convenience). There is no unmet convenience retail spending potential to be captured due to The Oak's proximity to existing retail centers in Oakdale and Woodbury. However, new retail may be developed as a part of a mixed-use master planned community to serve as an amenity for nearby residents and businesses.

Store Type	Demand (Spending Potential)	Supply (Current Sales)	Gap (Surplus/Leakage)
Grocery	\$48,600,000	\$82,600,000	(\$34,000,000)
Health & Personal Care	\$22,400,000	\$81,900,000	(\$59,500,000)
General Merchandise	\$57,700,000	\$117,900,000	(\$60,200,000)
Miscellaneous Store Retailers	\$7,700,000	\$8,300,000	(\$600,000)
Limited-Service Eating Places	\$19,300,000	\$25,100,000	(\$5,800,000)
Drinking Places - Alcoholic Beverages	\$1,600,000	\$2,600,000	(\$1,000,000)
Total	\$157,300,000	\$318,400,000	(\$161,100,000)

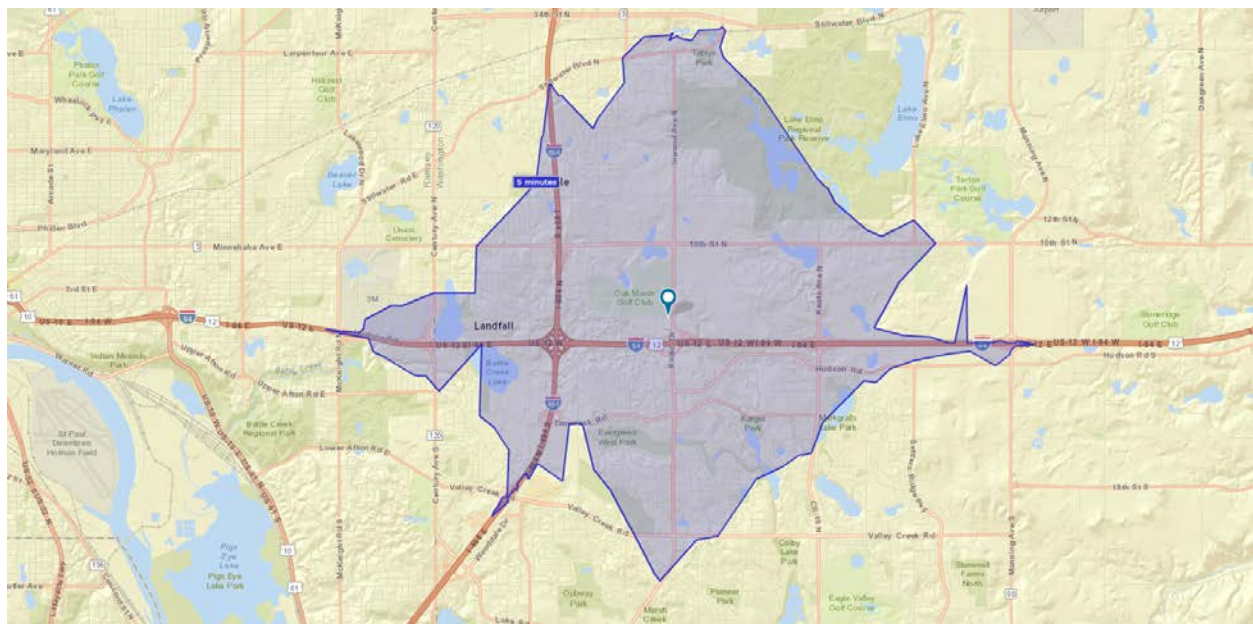


Study area is a 5-minute driving radius.

Source: ESRI Business Analyst

Inwood Avenue (Convenience). There is no unmet convenience retail spending potential to be captured due to the station's proximity to retailers in Oakdale and Woodbury. However, convenience retail may development occur in conjunction with mixed-use development and serve as an amenity for nearby residents and businesses.

Store Type	Demand (Spending Potential)	Supply (Current Sales)	Gap (Surplus/Leakage)
Grocery	\$56,600,000	\$122,200,000	(\$65,600,000)
Health & Personal Care	\$25,600,000	\$100,600,000	(\$75,000,000)
General Merchandise	\$70,000,000	\$195,300,000	(\$125,300,000)
Miscellaneous Store Retailers	\$8,500,000	\$10,700,000	(\$2,200,000)
Limited-Service Eating Places	\$21,100,000	\$43,900,000	(\$22,800,000)
Drinking Places - Alcoholic Beverages	\$1,600,000	\$2,600,000	(\$1,000,000)
Total	\$183,400,000	\$475,300,000	(\$291,900,000)

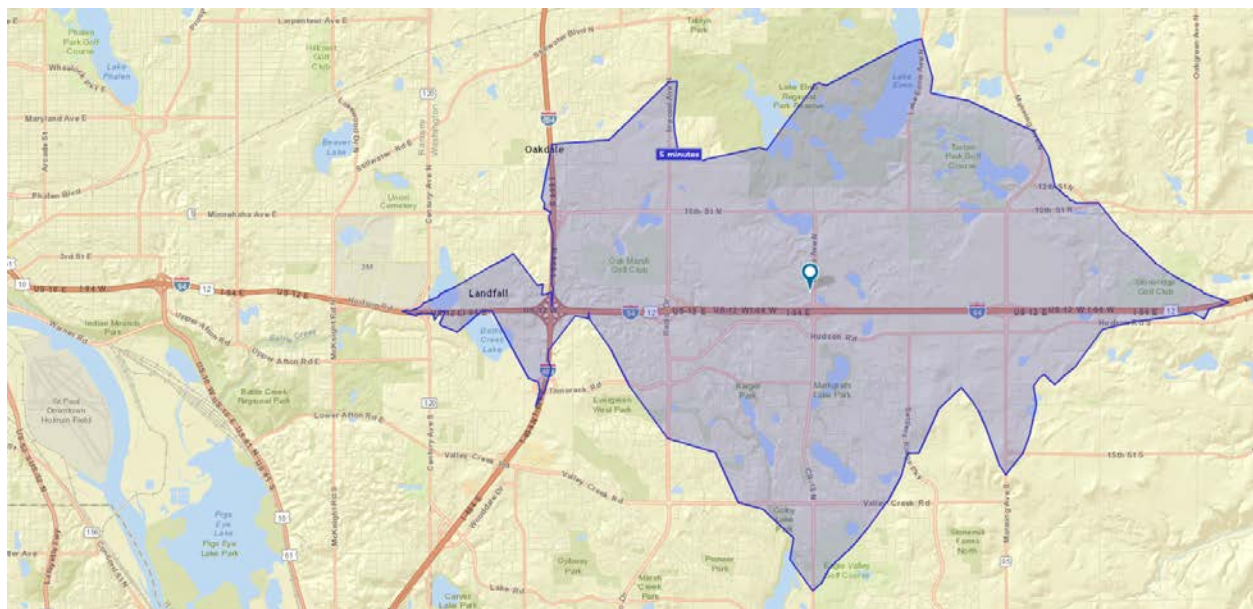


Study area is a 5-minute driving radius.

Source: ESRI Business Analyst

Keats Avenue (Convenience). There is very limited unmet convenience retail spending potential to be captured due to the station's proximity to existing retail centers in Woodbury. Although there is some leakage in limited-serve food, market potential is generally weak and new retail will likely serve as an amenity for nearby residents.

Store Type	Demand (Spending Potential)	Supply (Current Sales)	Gap (Surplus/Leakage)
Grocery	\$56,700,000	\$67,900,000	(\$11,200,000)
Health & Personal Care	\$25,700,000	\$69,400,000	(\$43,700,000)
General Merchandise	\$70,400,000	\$193,200,000	(\$122,800,000)
Miscellaneous Store Retailers	\$8,600,000	\$8,300,000	\$300,000
Limited-Service Eating Places	\$21,200,000	\$18,600,000	\$2,600,000
Drinking Places - Alcoholic Beverages	\$1,600,000	\$2,500,000	(\$900,000)
Total	\$184,200,000	\$359,900,000	(\$175,700,000)

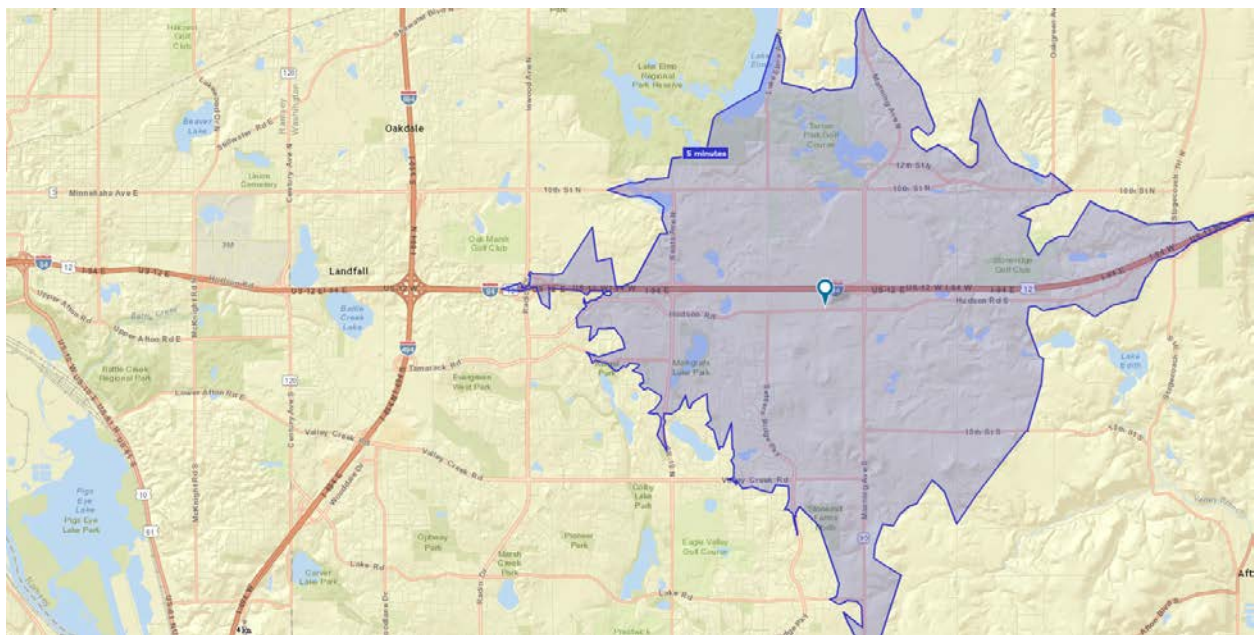


Study area is a 5-minute driving radius.

Source: ESRI Business Analyst

Manning Avenue South (Convenience). There is very limited unmet convenience retail spending potential to be captured. There is some leakage in grocery and health and personal care, but market potential is generally weak and new retail will likely serve as an amenity for nearby residents.

Store Type	Demand (Spending Potential)	Supply (Current Sales)	Gap (Surplus/Leakage)
Grocery	\$28,400,000	\$7,900,000	\$20,500,000
Health & Personal Care	\$12,900,000	\$1,100,000	\$11,800,000
General Merchandise	\$35,300,000	\$159,900,000	(\$124,600,000)
Miscellaneous Store Retailers	\$4,300,000	\$2,100,000	\$2,200,000
Limited-Service Eating Places	\$10,600,000	\$3,900,000	\$6,700,000
Drinking Places - Alcoholic Beverages	\$800,000	\$1,900,000	(\$1,100,000)
Total	\$92,300,000	\$176,800,000	(\$84,500,000)

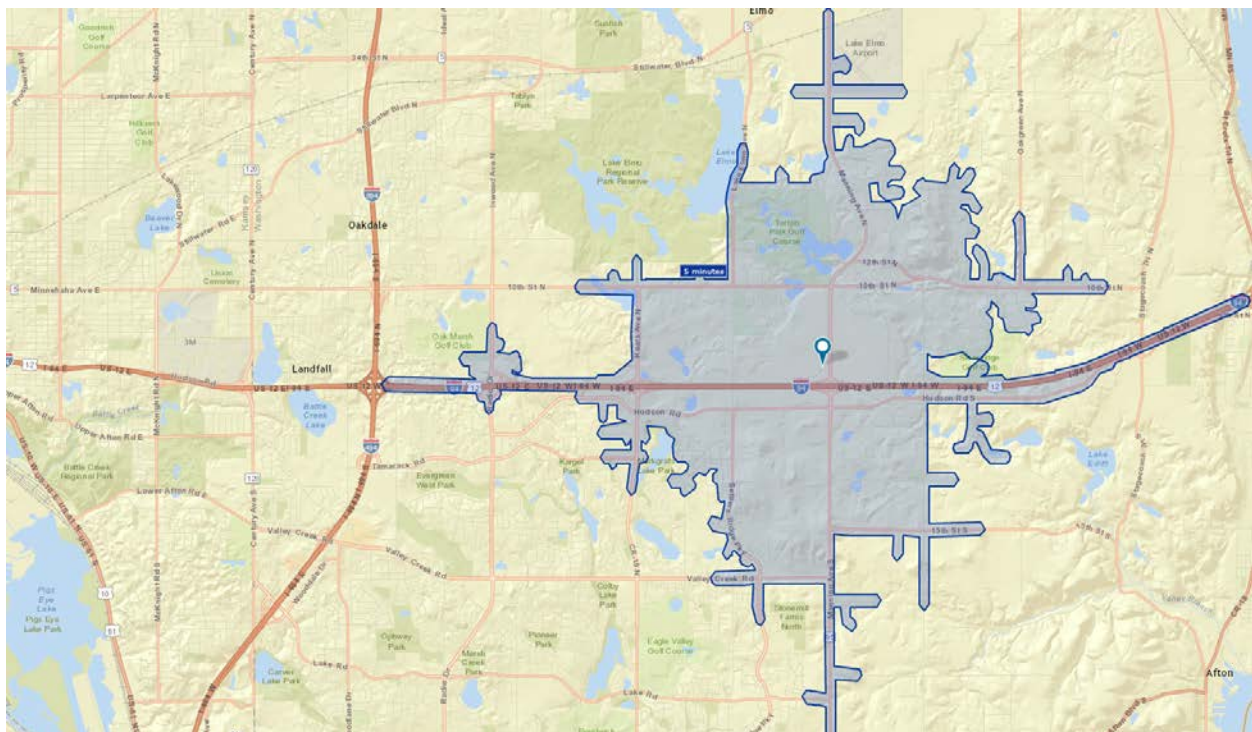


Study area is a 5-minute driving radius.

Source: ESRI Business Analyst

Manning Avenue North (Convenience).²⁴ There is limited unmet convenience retail spending potential to be captured. There is some leakage in grocery, but market potential is generally modest and new retail will likely serve as an amenity for nearby residents.

Store Type	Demand (Spending Potential)	Supply (Current Sales)	Gap (Surplus/Leakage)
Grocery	\$16,300,000	\$6,600,000	\$9,700,000
Health & Personal Care	\$7,700,000	\$4,900,000	\$2,800,000
General Merchandise	\$19,600,000	\$44,700,000	(\$25,100,000)
Miscellaneous Store Retailers	\$2,600,000	\$1,500,000	\$1,100,000
Limited-Service Eating Places	\$6,600,000	\$4,400,000	\$2,200,000
Drinking Places - Alcoholic Beverages	\$500,000	\$500,000	\$0
Total	\$53,300,000	\$62,600,000	(\$9,300,000)



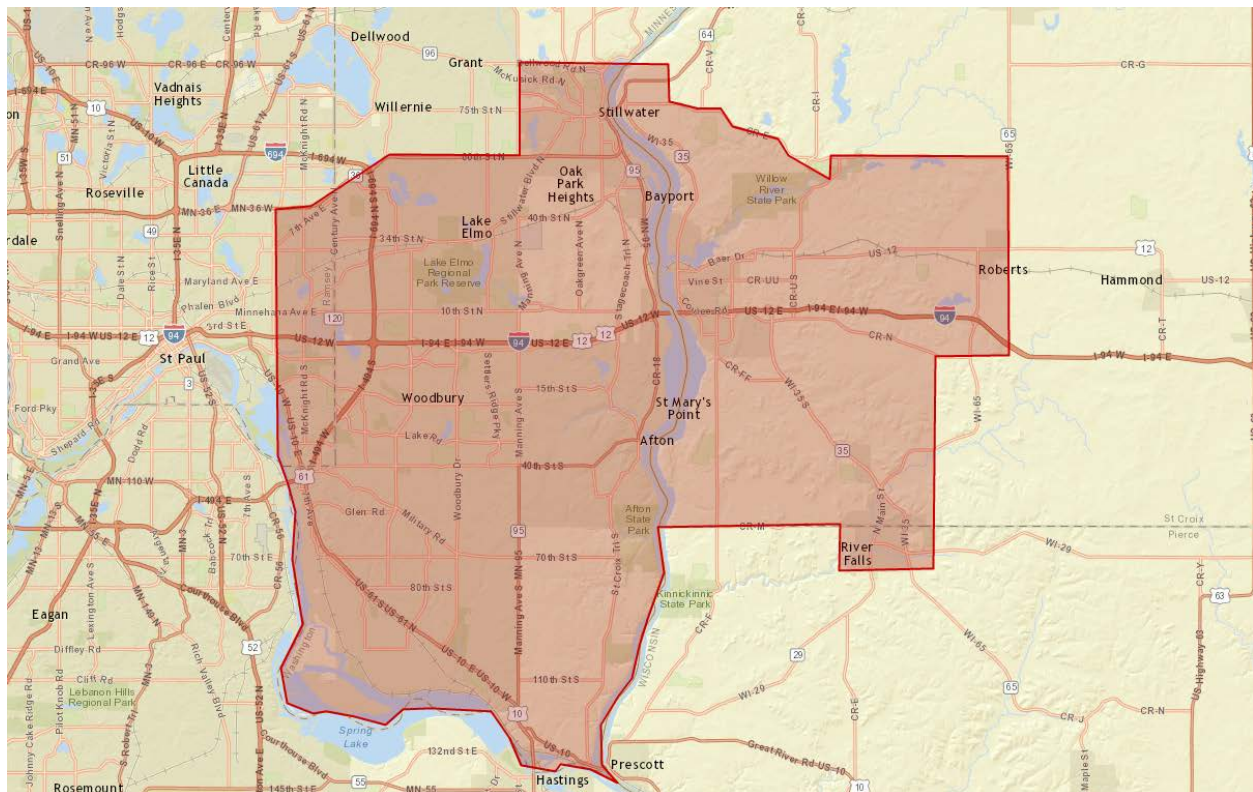
Study area is a 5-minute driving radius.

Source: ESRI Business Analyst

²⁴ HR&A conducted this analysis in April 2015 as an addendum to its draft, relying on more recent retail spending data from ESRI Business Analyst.

East of I-494/I-694 (Destination). There is unmet destination retail spending potential to be captured, with the largest potential in home furnishing, electronics, and full-service restaurants. The ability to capture this spending depends developing a competitive retail offering that is unique amongst existing retail destinations and identifying a site with strong access and visibility from I-94.

Store Type	Demand (Spending Potential)	Supply (Current Sales)	Gap (Surplus/Leakage)
Furniture & Home Furnishings Stores	\$71,500,000	\$36,200,000	\$35,300,000
Electronics & Appliance Stores	\$86,400,000	\$51,500,000	\$34,900,000
Building Materials & Home Improvement	\$121,200,000	\$117,100,000	\$4,100,000
Clothing & Accessories	\$172,400,000	\$156,400,000	\$16,000,000
Sporting Goods, Hobby, Book & Music	\$80,000,000	\$67,700,000	\$12,300,000
Full-Service Restaurants	\$152,900,000	\$90,600,000	\$62,300,000
Total - Destination Retail	\$684,400,000	\$519,500,000	\$164,900,000



Study area assumes a regional destination drawing retail spending from greater East Metro and western Wisconsin.

Source: ESRI Business Analyst