COLUMBUS FREEWAY RETAIL DISTRICT
RETAIL DEVELOPMENT POTENTIAL

Prepared for
City of Columbus

June 2015

McCOMB GROUP, Ltd.
REAL ESTATE AND
RETAIL CONSULTANTS

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INTRODUCTION

McComb Group, Ltd. was engaged by the City of Columbus to update the Columbus Freeway Corridor Retail Development Potential report, prepared in June of 2009. The objectives of this engagement were to confirm or update the retail trade area and market potential assumptions, to determine if current Freeway Corridor land use assumptions and zoning are appropriate for current market conditions, and to provide updated market materials. Work tasks conducted as part of this engagement are summarized below.

- ♦ Existing Freeway Corridor retail and service establishments were reviewed and adjusted for changes in the market. The Freeway Corridor was evaluated to identify its potential to support retail development. Factors that were evaluated include, but were not limited to: ingress and egress, access, visibility, current and future traffic counts, and relationship to adjacent uses.

- ♦ Shopping areas that are competitive with the Freeway Corridor were reviewed for major changes in the market. Principal competitors were reviewed for tenant mix, anchor stores, and market orientation.

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

- ♦ Market demand for retail, food service, and service business establishments in the Freeway Corridor was updated based on estimated trade area population and household growth taking into consideration competitive impacts, trade area demographics, trade area purchasing power, and estimated market share. Based on this analysis, competitive shopping centers, and current retail trends, future demand for retail space was estimated by business type for the Freeway Corridor. Estimates of retail, food service, and services space supportable by sales potential was prepared for target years of 2015 and 2020. Sales potential was converted to square feet of building area by type of business establishment. Those stores, food service, and services suitable for the Freeway Corridor were identified.

- ♦ Retail sales trends for Forest Lake were analyzed utilizing information from the Census of Retail Trade for 2002 and 2007, and updated with Minnesota sales tax information to determine 2012 retail sales. Retail sales by store type were compared with purchasing power to determine market share.

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

Report Purpose

This report was prepared in accordance with our proposal dated October 20, 2014. This report was prepared with the understanding that the results of our work will be used by the client to determine retail potential for the Freeway Corridor. Our report was prepared for that purpose and is subject to the following qualifications:

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

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

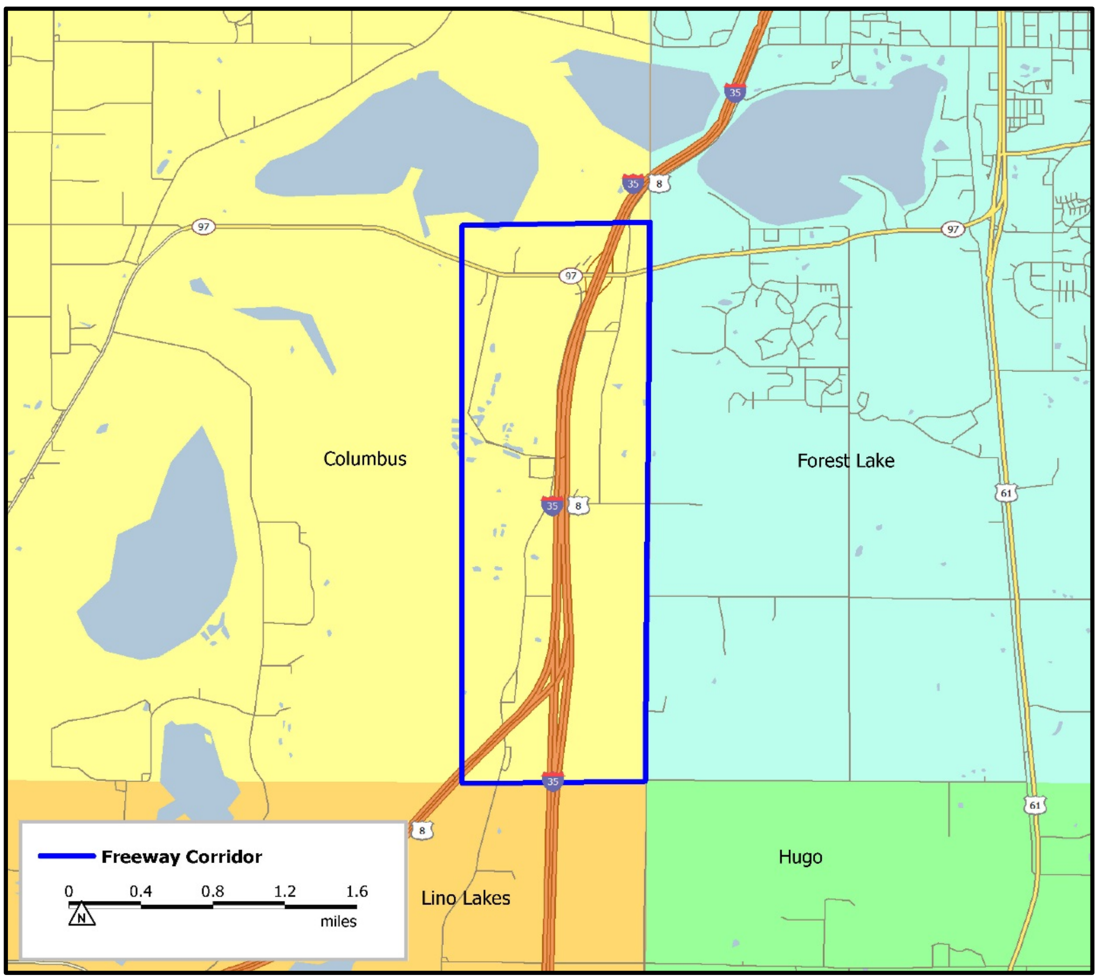
Chapter I

COLUMBUS RETAIL AREA

Columbus is located on I-35, the major growth corridor in the northeast Twin Cities Metro Area. The area along I-35 has been designated Columbus Freeway Corridor, shown on Map 1, and is home to several businesses serving outdoor enthusiasts. At the southern end of the Freeway Corridor, the east and west portions of I-35 merge focusing high volumes of the freeway segment in Columbus. I-35 is a major north/south freeway connecting Texas and Mexico to the Twin Cities area and Duluth/Superior on Lake Superior. In addition, I-35 is a major commuter route to Minneapolis, St. Paul and the northern suburban employment centers. The Freeway Corridor is served by an interchange at Lake Drive/Scandia Trail (TH-97) and I-35. TH-97 is a major commuter route for residents living to the east in Forest Lake and Scandia.

Map 1

COLUMBUS FREEWAY CORRIDOR



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

Columbus is a relatively affluent community with large lot development interspersed with lakes and wetlands. Carlos Avery Wildlife Management area occupies the western portion of the city providing recreational opportunities to area residents. It also isolates the Freeway Corridor from competition with retailers located along TH-65 in Blaine to the west. Higher density housing is planned for areas adjacent to the Freeway Corridor. Residential subdivisions are attracting homeowners to southern Forest Lake. Nearby housing areas of Headwaters and Summerfield are under active development. Southern Forest Lake will continue to add additional households in the future.

The Freeway Corridor has been designated as Columbus' primary retail area. Currently, 24 retail and service establishments are located in the area, as shown in Table 1. Notable businesses include a very successful Gander Mountain store and Running Aces Harness Park, which attracts patrons from a wide area. Running Aces provides live racing, as well as simulcast racing, card room, and restaurant/lounge. Harness races are run seasonally and the card room and restaurant are open year round. Seven businesses serve the recreational market selling trailers, travel trailers, and recreational vehicles. A Holiday Stationstore serves both automobiles and trucks. These businesses are located in the northern portion of the Freeway Corridor. This retail area will be referred to as the Freeway Retail District.

Table 1

COLUMBUS FREEWAY CORRIDOR RETAIL TENANT MIX

CONVENIENCE/GASOLINE	**SERVICES**
Holiday	**Personal Services**
	Muddy Paws Daycare Boarding & Grooming
SHOPPING GOODS	Pamela's Alterations & Sewing/ Pamela's Bridal
Sporting Goods	**Automotive Services**
Gander Mountain	Columbus Truck Service
Exercise Guys	Harold's Towing
Arts/Crafts	**Entertainment**
Theresa's Quilt Studio	Running Aces Harness Park
	Financial
MOTOR VEHICLES & PARTS	Primerica
Recreational Vehicles/Boats	**Offices**
Brinkman's Trailer Sales	Kneisl Tax Accounting Audit
Coates RV Center	**Medical**
Forest Lake Sales & Service	Connections Counseling
Forest Lake Trailer Sales	**Other**
K&B Small Engine Repair	Freeway Storage
Recreational Supply Corp	MJ Electrical LLC
Straightline Performance	
Tracker Boating Center	
V-Docks.com	
Agricultural/Heavy Equipment	
Ziegler CAT	

Source: McComb Group, Ltd.

Accessibility

Columbus is served by I-35 and is just north of the I-35W/I-35E merge. The Lake Drive/Scandia Trail exit is the first freeway exit north of the merge. Lake Drive extends west and then southwest to Lino Lakes. Lake Drive becomes Scandia Trail (TH-97) east of I-35 and serves southern Forest

Lake and Scandia. Each of these routes provides convenient access to Columbus from surrounding communities. West Freeway Drive (CSAH 54) serves the retail area west of I-35; and Hornsby Street serves retailers east of I-35. All these retailers benefit from excellent visibility.

Traffic Counts

The Freeway Retail District benefits from heavy traffic on I-35 by commuters, interstate travelers, and tourists. I-35W and I-35E from the south, along with I-35 from the north provide easy access for local consumers, trade area residents, and visitors. Traffic counts are highest on I-35 south of Lake Drive with average daily trips of 75,000 in 2012, as shown in Table 2. Traffic counts north of Lake Drive totaled 65,000 in 2012, which indicates that about 10,000 vehicles entered or exited I-35 at Lake Drive. Traffic counts on Scandia Trail east of I-35 were 17,900 in 2012. Traffic counts on Lake Drive west of I-35 were 7,700 in 2013. West Freeway Drive, located adjacent to I-35, serves the western portion of the Freeway Retail District and has experienced increased traffic counts totaling 3,200 trips in 2012.

Table 2

COLUMBUS FREEWAY RETAIL DISTRICT
AVERAGE DAILY TRAFFIC COUNTS; 2008 TO 2013

Location	2008/09	2010/11	2012/13
I-35			
South of Lake Drive/Scandia Trail	79,000	76,000	75,000
North of Lake Drive/Scandia Trail	67,000	66,000	65,000
Scandia Trail			
East of I-35	18,200	17,400	17,900
Lake Drive			
West of I-35	7,700 *	7,900 *	7,700 *
West Freeway Drive			
County Line to Lake Drive NE	2,750 *	2,900 *	3,200

* Number are for odd year.
Source: Minnesota Department of Transportation.

Future Road Improvements

Recent transportation planning has identified the need for an upgraded interchange at I-35 and Lake Drive/Scandia Trail. A diverging diamond interchange is the recommended improvement. This interchange can be accommodated within the existing right-of-way.

The City of Columbus has proposed road realignments in the vicinity of the interchange to facilitate development. On the east side of I-35, these plans have been implemented by relocating Hornsby Street south of Scandia Trail about 300 feet to the east. North of Scandia Trail, the plan calls for Hornsby Street to be relocated to the east to form an intersection with Hornsby Street on the south. This creates an attractive development site with excellent freeway visibility and convenient access.

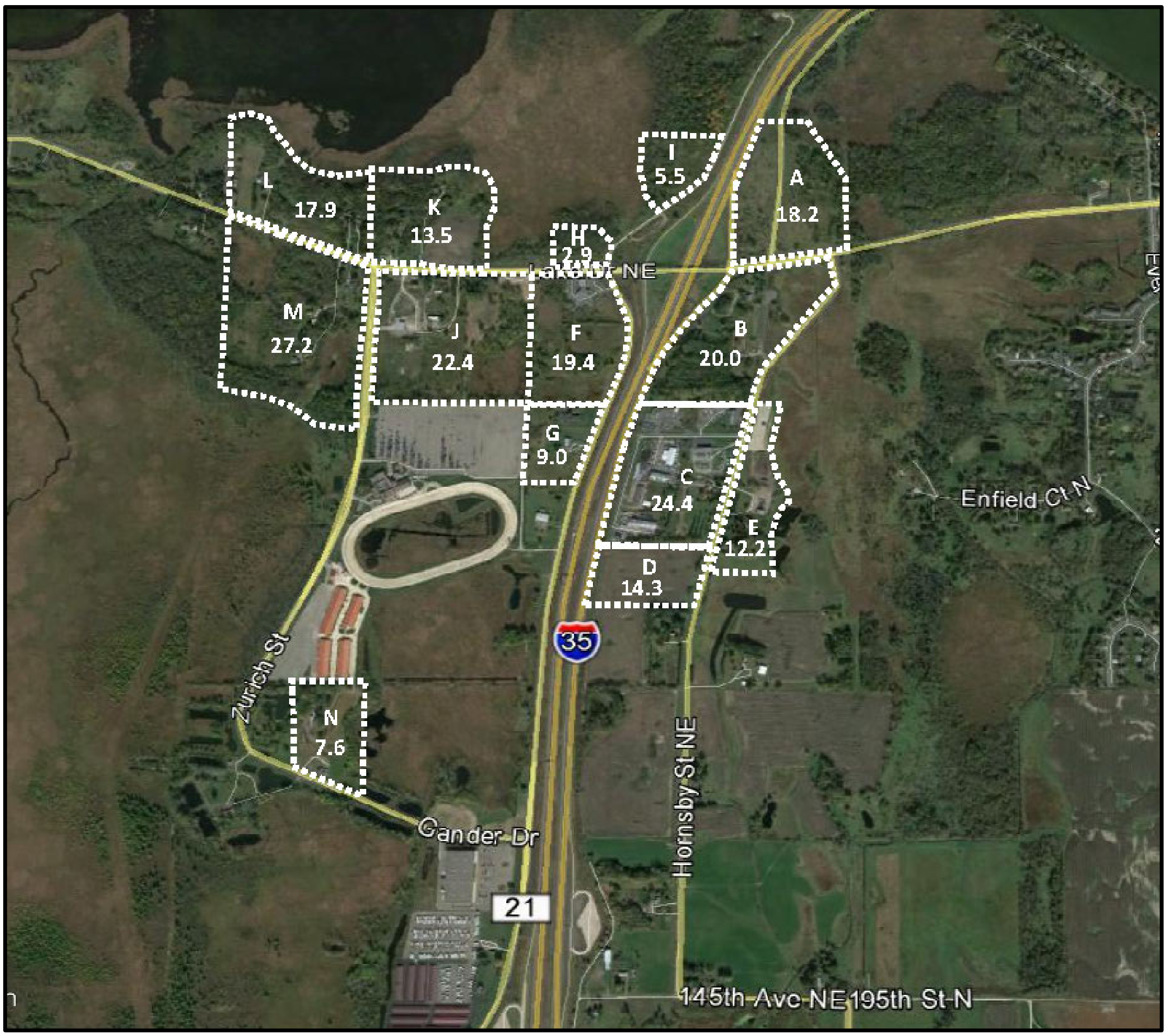
West of I-35, plans include creating a new intersection on Lake Drive about 550 feet west of the existing intersection of West Freeway Drive. In the southeast quadrant the new street would be the west boundary of a parcel that includes Holiday Stationstore. North of Lake Drive, relocation of West Freeway Drive creates a developable parcel and provides access to a parcel further to the north.

Retail Area

The Freeway Retail District has several very attractive developable areas along I-35. Land zoned Commercial Retail (CR) is generally located in the northern portion of the Freeway Retail District along I-35 and Lake Drive/Scandia Trail. This area, shown on Figure 1, is interspersed by wetlands of various sizes. Parcels A through N on Figure 1 were delineated to represent developable areas to provide a basis for estimating the amount of developable land. The number in each area represents the estimated developable acres reduced by major wetland areas. These parcels are estimated to contain about 215 acres.

Figure 1

FREEWAY RETAIL DISTRICT LAND AREA AND ESTIMATED ACRES



Source: GoogleEarth Pro and McComb Group, Ltd.

Parcel Evaluation

Land in the Freeway Retail District is now zoned Commercial Retail or Horse Racing. Each parcel, shown on Figure 1, was reviewed to evaluate its potential for retail or other type of development based on current industry site criteria.

Parcel A appears to have a large area with about 18.2 acres of generally level terrain suitable for retail development when Hornsby Street is relocated. This parcel has high visibility from I-35 and Scandia Trail and is suitable for either convenience or destination retail use.

Parcel B, with about 20.0 acres, extends south and west from the relocated Hornsby Street. The southwest quadrant of the intersection, which is suitable for convenience retail, has about 3.6 acres of developable land. The area west of Old Hornsby Street contains about 16 acres and has excellent visibility from I-35 and is suitable for convenience or destination retail. Parcels A and B are the most attractive retail parcels in the Freeway Retail District due to location, visibility, access, and traffic counts.

Parcel C, with about 24 acres on the east side of I-35, is fairly well developed with recreational vehicle and auto-oriented uses at the present time. This parcel has excellent visibility from I-35 and is well suited for destination uses. The southeast corner remains undeveloped.

Parcel D to the south is currently vacant. This parcel, with about 14.3 acres, is suitable for a variety of uses that can benefit from freeway visibility. Parcel E, with about 12.2 acres, lacks freeway visibility, but could be developed for other uses such as light industrial.

Parcel F is a high visibility location west of I-35 and contains about 19.4 acres of developable land. The Holiday Stationstore appears to occupy about 2.0 acres and has a good location on a prime corner on this parcel. The remaining frontage along Lake Drive is also suitable for convenience retail. The southern portion of the parcel is suitable for destination retail or other uses. Parcel G, with about 9.0 acres, has excellent visibility from I-35, but is slightly less convenient than Parcel F and is suitable for destination retail and other development.

Parcel H, with about 2.9 acres, is conveniently located to Lake Drive and is suitable for a convenience retail development. This parcel benefits from its proximity to I-35 and convenient access. Parcel I, located to the north with about 5.5 acres, has good visibility to I-35 and is suitable for an office or lodging use that could benefit from its visibility and the adjacent lake and wetland.

Parcels J, K, L, and M along Lake Drive west of I-35 are less desirable for retail development due to the lower traffic counts and distance from I-35. These parcels contain about 81 acres and are suitable for other types of development.

Parcel N on Gander Drive, with about 7.6 acres, is an interior parcel on a low traffic road with no freeway visibility. It is best suited for a non-retail use.

Each of the above parcels have been categorized by suitable use in Table 3. Currently, parcels suitable for convenience and/or other retail uses total about 37 acres, of which about 2.0 acres are developed. The remaining areas could accommodate 300,000 to 350,000 square feet of retail development. Parcels suitable for destination retail total about 70 acres, of which about 20 acres are developed, leaving about 50 acres for development. These parcels could accommodate 450,000 to 500,000 square feet of development. Parcels suitable for other uses total about 106 acres and could accommodate 1.0 million square feet of development.

Table 3

FREEWAY RETAIL DISTRICT LAND AREA

Parcel	Convenience Retail	Destination Retail	Other Use	Total
A	18.2			18.2
B	10.0	10.0		20.0
C		24.4		24.4
D		14.3		14.3
E			12.2	12.2
F	6.5	12.9		19.4
G		9.0		9.0
H	2.9			2.9
I			5.5	5.5
J			22.4	22.4
K			13.5	13.5
L			17.9	17.9
M			27.2	27.2
N			7.6	7.6
Total	37.6	70.6	106.3	214.5
Currently Developed	2.0	20.0	0.0	22.0
Available	35.6	50.6	106.3	192.5
Square Feet	350,000	500,000	1,000,000	1,850,000

Source: McComb Group, Ltd.

The undeveloped areas of the Freeway Retail District could accommodate over 1.8 million square feet of retail development. These estimates are based on a range of 9,000 to 10,000 square feet of building area per acre, which is a typical retail density. Auto and recreational vehicle sales have lower density because much of their display area is outdoors.

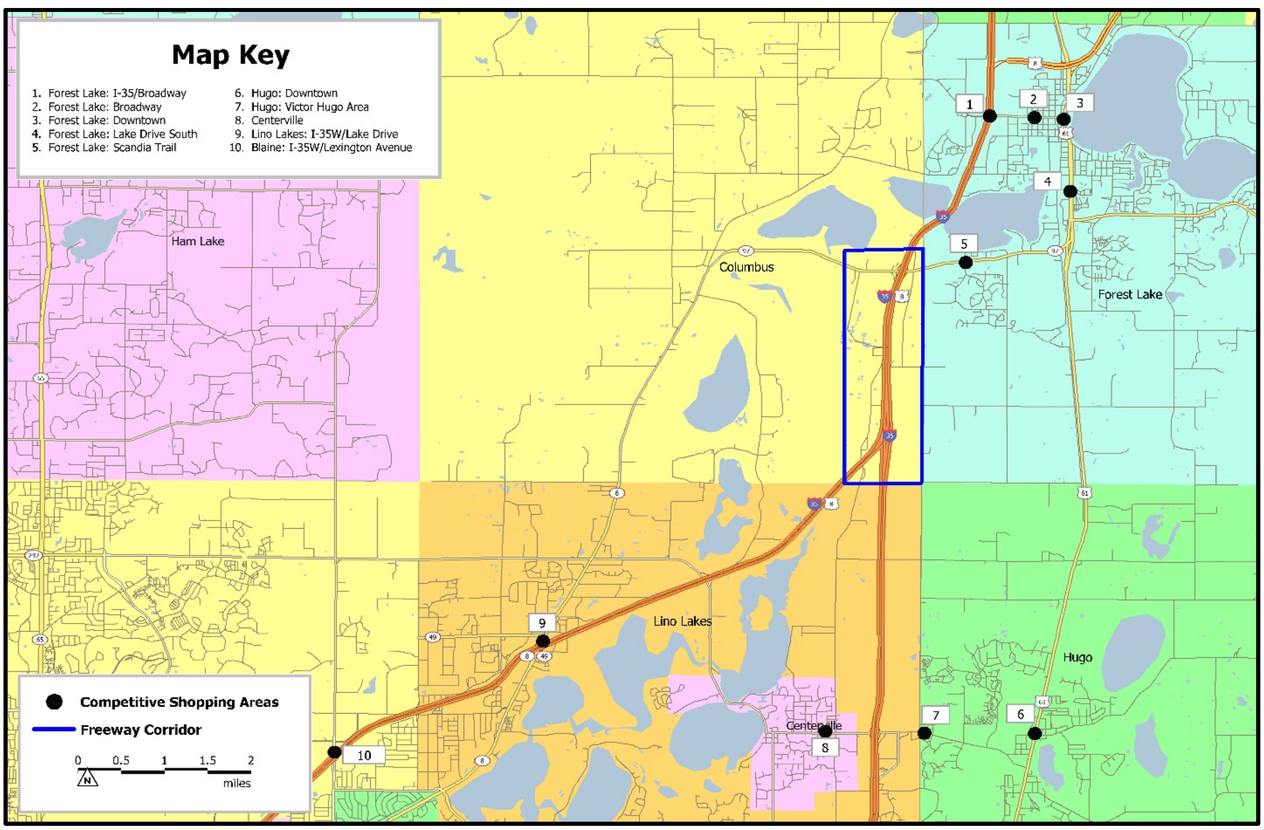
Chapter II

COMPETITIVE SHOPPING AREAS

Businesses in the Columbus Freeway Corridor compete with a variety of shopping areas located along I-35 and Lake Drive in the northeast Metro Area. These competitive shopping areas are shown on Map 2. Forest Lake offers the largest concentration of stores and is a direct competitor. Other significant competitors include Lexington and I-35W and Lake Drive and I-35W. Each of these areas features national and regional stores. The other nearby communities of Hugo and Centerville have retail areas that generally serve a local population. These competitive retail areas also affect the trade area for the Freeway Retail District. Retail stores and services for these shopping areas are summarized in Table 4 and described below. Business establishments in these shopping areas are contained in Appendix B (under separate cover).

Map 2

COMPETITIVE RETAIL AREAS



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

Table 4

COMPETITIVE RETAIL AREAS TENANT MIX

	Forest Lake					Lino Lakes	Blaine	Hugo			
Merchandise Category	I-35 & Broadway	Broadway	Dwtn	Lake St South	Scania Trail	I-35W & Lake Dr	I-35W & Lexington	Dwtn	Victor Hugo Blvd	Centerville	Total
CONVENIENCE GOODS											
Food Stores	2						1		1		4
Specialty Food Stores			2					1			3
Other Convenience Goods	4	1	5	4	1	4	3	3	1	3	29
Subtotal	6	1	7	4	1	4	4	4	2	3	36
FOOD SERVICE											
Full Service	4	2	5	1		2	4		2	1	21
Limited Service	12	4	3	5		5	6	2	3	4	44
Snacks & Beverage Places	1	1	2			1	2		1		8
Drinking Places						1				1	2
Subtotal	17	7	10	6	0	9	12	2	6	6	75
CONVENIENCE/GAS	3	1		2	1	4	2	1	1	3	18
SHOPPING GOODS											
General Merchandise	2			1		2	2				7
Clothing and Accessories	1		1	1			2				5
Home Furnishings				1			1			1	3
Home Appliances/Music	3		2	4		2	2		1		14
Other Shopping Goods	8	2	15	4		2	4	2			37
Subtotal	14	2	18	11	0	6	11	2	1	1	66
OTHER STORES											
Building Materials/Garden	3	1	1	1			1	2	1	1	11
Motor Vehicles & Parts	7	1	6	1		2		3		1	21
Subtotal	10	2	7	2	0	2	1	5	1	2	32
Total Retail	**50**	**13**	**42**	**25**	**2**	**25**	**30**	**14**	**11**	**15**	**227**
SERVICES											
Personal Care	3	3	3	4		5	4		6	2	30
Dry Cleaning/Laundry	1	1	2						1		5
Personal Services	3	2	8	1	1	3	1	2	2	4	27
Rental/Leasing								1			1
Recreation/Entertainment			3	2		1			2		8
Automotive Services	12	4	5	2		3		2		5	33
Other Services	5	5	11	2		5		2	2	7	39
Financial	2	13	25	4		9	2	6	4	5	70
Other Offices (Other than Financial)		7	8	2			1	1	2	4	25
Medical		6	18	10		6	2	5	14	3	64
Other	1		2	1		1		1			6
Community		1	3	3		3	1	3	1	1	16
Total Services	**27**	**42**	**88**	**31**	**1**	**36**	**11**	**23**	**34**	**31**	**324**
TOTAL	**77**	**55**	**130**	**56**	**3**	**61**	**41**	**37**	**45**	**46**	**551**

Source: McComb Group, Ltd.

Forest Lake

Forest Lake, located north and east of Columbus, attracts patronage from a large area and is the primary competitive shopping area for the Freeway Retail District. Forest Lake has 132 retail stores and 189 service establishments, which are located in three primary shopping areas: I-35 and Broadway, Downtown, and Lake Street South. Smaller retail clusters are located on Broadway between I-35 and Downtown and other smaller areas both south and north of downtown.

- **I-35 and Broadway** is primary competition for Freeway Retail District retailers with 50 retail stores and 27 services. This area is home to Target, Walmart Supercenter, Home Depot, Menard's, Cub Foods, and Aldi, as well as many popular full-service and limited-service restaurants. The I-35 and Broadway area is also home to three auto dealerships. This area has the largest concentration of food services in Forest Lake including 13 limited-service establishments and four full-service restaurants. Twenty-seven service establishments include 12 auto services.

- ♦ **Downtown** contains 130 establishments with 42 retailers including 18 shopping goods stores and 10 food service establishments. Downtown is also home to 88 service establishments including nine financial, nine insurance, 11 medical, seven dental, and many other professional services.

- ♦ **Lake Street South** extends from the 900 block to Scandia Trail and contains 25 retail stores and 31 services. This shopping area contains Lake Five Theater and four convenience goods retailers including a drug store, two liquor stores and a hardware store. Shopping goods are represented by 11 stores. Food services include five limited-service and one full-service restaurant. Thirty-one service establishments include 10 medical offices, four personal care establishments, and four financial offices.

- ♦ **Broadway** retail area consists of 13 retail stores and 42 service establishments located between I-35 and Broadway and Downtown. The largest concentrations are seven food service establishments, six medical offices, and 13 financial offices.

- ♦ **Scandia Trail**, east of I-35, has a small convenience center anchored by Kwik Trip containing a liquor store and daycare. This area has room for an additional strip center building.

Forest Lake's I-35 and Broadway retail area's future expansion is limited by a shortage of large developable sites.

Lexington and I-35W

This retail area, located in Blaine, is about 10 miles south of the Freeway Retail District. The northwest corner of the interchange is home to The Village of Blaine shopping area, which is anchored by Cub Foods, Walmart, Home Depot, Fleet Farm, and Michael's, as well as 16 other stores and 12 restaurants. Currently, this retail area has 30 retail stores and 11 service establishments. The largest categories are shopping goods (11), food service (12), and convenience retail (four). Services include four personal care establishments along with seven other service establishments. Walmart is constructing a supercenter south of I-35W, which will replace the store in The Village of Blaine.

Lake Drive and I-35W

This retail area, located seven miles south of the Freeway District, includes Lino Lakes Marketplace anchored by SuperTarget and Kohl's. This retail area also has 23 other retail establishments including four liquor stores, nine food service establishments, and four convenience/gas stations. Services are represented by 36 establishments with financial, medical, and personal care services being the most prominent.

Hugo and Centerville

These communities, located eight miles south of the Freeway Retail District, share an interchange at I-35E.

Hugo has two retail areas: Downtown on TH-61 and Victor Gardens, an impressive new mixed-use area at the intersection of Victor Hugo Boulevard and County Road 8. Eighty-two retail and service establishments are located in these two areas. The Victor Gardens retail area east of I-35E contains 45 retail and service establishments and is anchored by Festival Foods, which opened in 2006. This area contains 11 retail stores and 34 services. Downtown Hugo is an older shopping area with 14 retail stores and 23 service establishments.

Centerville, located west of I-35E, has 15 retail stores and 31 service establishments. Food service is the largest category with six establishments. Additional retail establishments include three convenience/gasoline, one shopping goods establishment, and three convenience retail stores. Services include five auto services, two insurance providers, and two personal care establishments along with a number of other services. Centerville retail establishments are primarily convenience-oriented and focused on meeting local needs.

New Retail Development

Current economic conditions have brought new retail development to a virtual standstill in surrounding communities. At the time of this study, there was only two notable retail developments reported, both in Forest Lake. As mentioned earlier, Walmart is expanding its store to a supercenter and Marketplace Foods will relocate to a new store in Northland Mall. In the longer term, Headwaters (a large, multi-use development located east of I-35 on TH-97 off of Fenway Avenue) is planning some retail development. At the present time, it includes a new Washington County Government Center, library, transit center, residential units, parks, sports fields and limited retail.

Summary

Forest Lake, with a total of over 320 retail stores and services, is the dominant retail location. So far, it has attracted six large national retailers – Target, Walmart, Aldi, Office Max, Home Depot, and Menards. These retailers, plus three auto dealers, attract shoppers from a wide area outside the Forest Lake trade area. Forest Lake's ability to accommodate additional large retail is limited by available vacant land. Columbus, due to its close proximity to Forest Lake, shares its trade area. As a result, the Freeway Retail District, with its excellent access and visibility, becomes an attractive location to serve residents of the northeastern Metro Area.

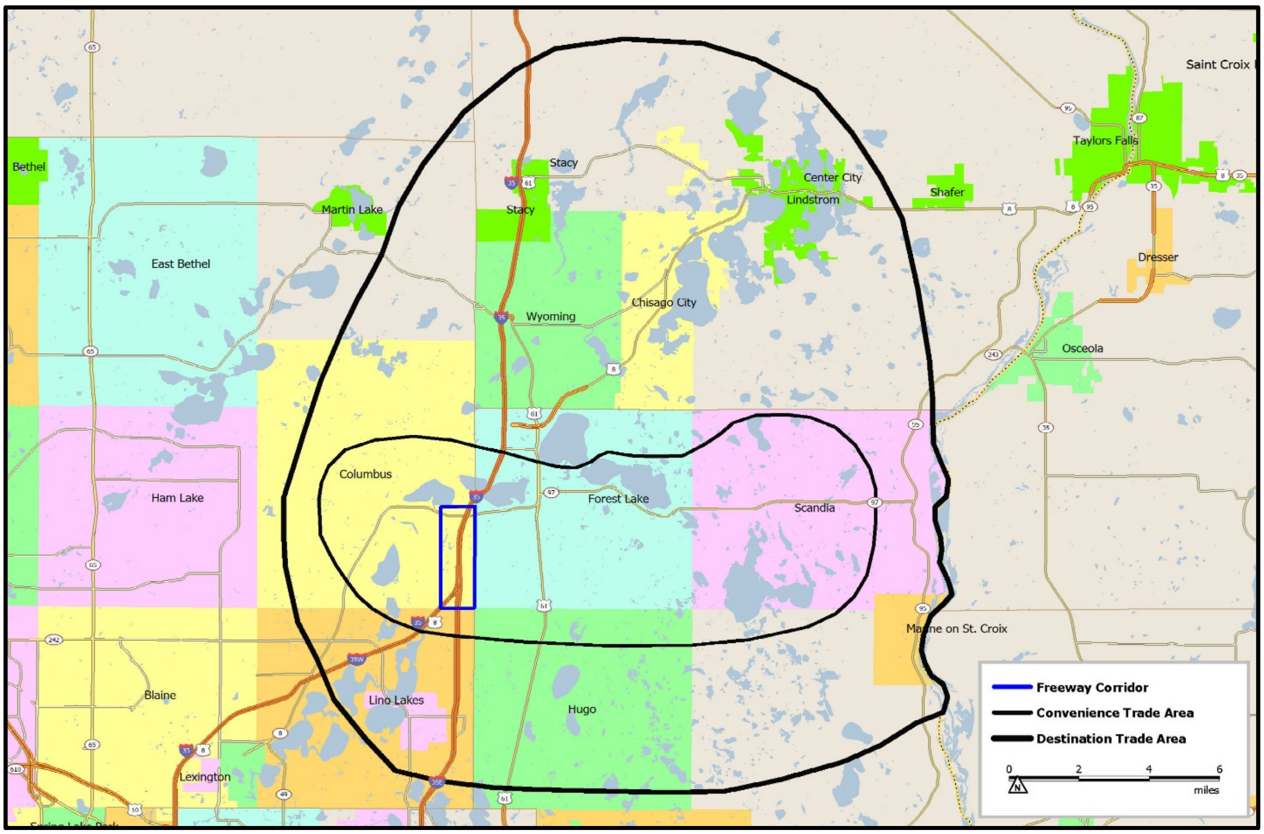
Chapter III

COLUMBUS FREEWAY RETAIL DISTRICT TRADE AREAS

Two trade areas for the Columbus Freeway Retail District were delineated by McComb Group based on the location of competitive shopping areas, arterial road network, natural boundaries, and previous experience. These trade areas, shown on Map 3, are for convenience retail stores and services, and destination retailers. The Convenience trade area is smaller showing an east/west orientation and includes portions of Columbus, Forest Lake, Scandia, and Hugo. This trade area covers approximately 84 square miles. The Destination trade area is much larger and extends from the Carlos Avery Wildlife Management Area to the St. Croix River on the east, and from Hugo to north of Stacy and east of Center City. This trade area covers approximately 332 square miles.

Map 3

COLUMBUS FREEWAY RETAIL DISTRICT TRADE AREAS



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

Population and Households

Population and household growth trends in the Freeway Retail District trade areas and the Minneapolis-St. Paul MSA (MSA) are shown in Table 5. Convenience trade area population and households have been growing at a faster pace than both the Destination trade area and the MSA.

Convenience trade area population increased from 14,578 in 2000 to 18,380 in 2010, a growth rate of 2.34 percent. Population slowed to a 0.71 percent annual growth rate between 2010 and 2014 as a result of the recession and slower residential development, bringing population to 18,908 in 2014. Population is expected to increase to 20,081 by 2019, an annual growth rate of 1.21 percent. Household growth has been slightly higher, increasing at an annual rate of 2.67 percent between 2000 and 2010. During this period, households increased from 5,358 to 6,975. Households are estimated at 7,281 in 2014, a 1.08 percent annual growth rate, and are expected to increase to 7,801 by 2019, an annual growth rate of 1.39 percent.

Table 5

COLUMBUS FREEWAY RETAIL DISTRICT CONVENIENCE AND DESTINATION TRADE AREAS AND MINNEAPOLIS-ST. PAUL MSA: POPULATION AND HOUSEHOLDS 2000 AND 2010 CENSUS; 2014 AND 2019 ESTIMATED

	Convenience Trade Area	Destination Trade Area	Minneapolis-St. Paul MSA
Population			
2000	14,578	56,702	2,931,953
2010	18,380	77,184	3,223,495
2014E	18,908	78,393	3,303,964
2019E	20,081	81,921	3,451,342
Annual Growth Rate			
2000-2010	2.34 %	3.13 %	0.95 %
2010-2014E	0.71	0.39	0.62
2014-2019E	1.21	0.88	0.88
Households			
2000	5,358	19,974	1,124,228
2010	6,975	28,555	1,252,834
2014E	7,281	29,547	1,295,992
2019E	7,801	31,151	1,358,222
Annual Growth Rate			
2000-2010	2.67 %	3.64 %	1.09 %
2010-2014E	1.08	0.86	0.85
2014-2019E	1.39	1.06	0.94

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

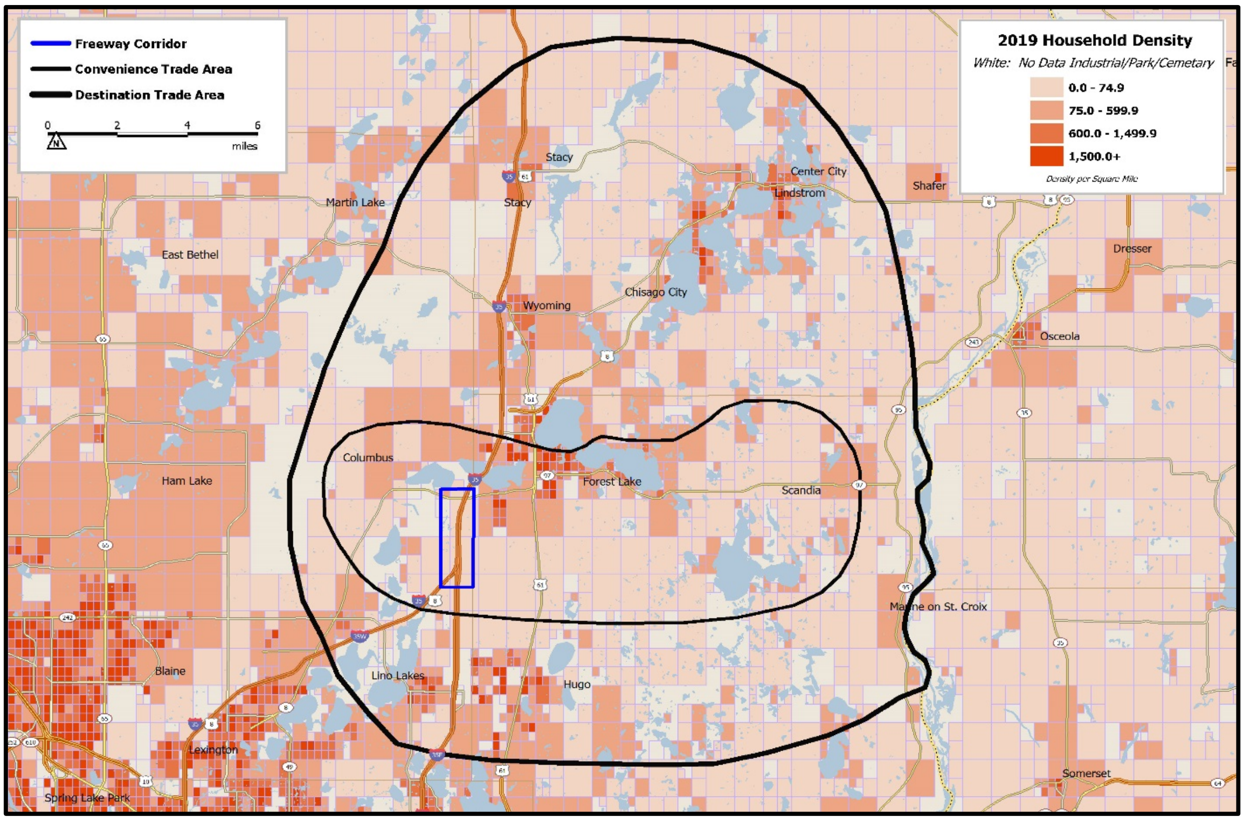
The Destination trade area is significantly larger than the Convenience trade area. Population in the Destination trade area in 2000 was 56,702 and increased to 77,184 in 2010, an annual growth rate of 3.13 percent. Population increased further to an estimated 78,393 in 2014, an annual growth rate of 0.39 percent and is expected to increase at an annual growth rate of 0.88 percent bringing population to 81,921 in 2019. Destination trade area households have increased at a faster rate than population, increasing from 19,974 in 2000 to 28,555 in 2010, a growth rate of 3.64 percent. Households are estimated to have increased to 29,547 in 2014, an annual growth rate of 0.86 percent. Households are expected to increase to further to 31,151 by 2019, a 1.06 percent annual growth rate. Population and household growth rates are expected to increase in the future as the housing market continues to improve.

Household Density

Household density for the Columbus Freeway Corridor trade areas is shown on Map 4 with the highest density of households located in the southwest portion of the trade area, Forest Lake, Wyoming, and the Chisago Lakes communities. The high density portions of Forest Lake are conveniently located to the Freeway Corridor.

Map 4

COLUMBUS FREEWAY RETAIL DISTRICT TRADE AREAS
2019 ESTIMATED HOUSEHOLD DENSITY



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

Household Income

Average household income in the Freeway Retail District trade areas and the MSA is shown in Table 6. Average household income in the Convenience trade area was $78,486 in 2010, increasing to $82,510 in 2014. Average household income is expected to increase to $87,118 by 2019.

Destination trade area average household income is higher than both the Convenience trade area and the MSA. In 2010, Destination trade area average household income was $81,092 and increased to $86,007 in 2014, slightly higher than the MSA average of $85,313. By 2019, average household income is expected to increase to about $91,600.

Table 6

COLUMBUS FREEWAY RETAIL DISTRICT CONVENIENCE AND DESTINATION TRADE AREAS AND MINNEAPOLIS-ST. PAUL MSA: AVERAGE AND MEDIAN HOUSEHOLD INCOME 2000 AND 2010 CENSUS; 2014 AND 2019 ESTIMATED

	Convenience Trade Area	Destination Trade Area	Minneapolis-St. Paul MSA
Average Household Income			
2000	$ 69,730	$ 68,126	$ 67,710
2010	78,486	81,092	80,066
2014E	82,510	86,007	85,313
2019E	87,118	91,599	91,483
Median Household Income			
2000	$ 59,915	$ 59,896	$ 53,969
2010	68,323	71,595	62,273
2014E	72,942	77,040	66,663
2019E	79,592	83,423	71,527

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

The proportion of Freeway Retail District trade areas households with incomes above $75,000, $100,000 and $150,000 are shown in Table 7. Due to its larger area, the Destination trade area has a larger number of households with incomes above $75,000, $100,000 and $150,000.

Table 7

COLUMBUS FREEWAY RETAIL DISTRICT CONVENIENCE AND DESTINATION TRADE AREAS AND MINNEAPOLIS-ST. PAUL MSA: HOUSEHOLD INCOME DISTRIBUTION 2000 AND 2010 CENSUS; 2014 AND 2019 ESTIMATED

	Convenience Trade Area		Destination Trade Area		Minneapolis-St. Paul MSA	
	Number	Percent	Number	Percent	Number	Percent
Households above $75,000						
2000	1,916	35.8 %	6,808	34.1 %	350,997	31.2 %
2010	3,185	45.7	13,594	47.6	512,605	40.9
2014E	3,479	47.8	14,818	50.1	567,891	43.8
2019E	4,196	53.8	17,571	56.4	659,620	48.6
Households above $100,000						
2000	951	17.7 %	3,066	15.4 %	188,678	16.8 %
2010	1,868	26.8	8,224	28.8	329,662	26.3
2014E	2,302	31.6	10,068	34.1	396,036	30.6
2019E	2,843	36.4	12,046	38.7	462,255	34.0
Households above $150,000						
2000	308	5.8 %	911	4.6 %	66,205	5.9 %
2010	747	10.7	2,995	10.5	134,413	10.7
2014E	1,078	14.8	4,356	14.7	190,435	14.7
2019E	1,516	19.4	6,093	19.6	253,063	18.6

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

In 2014, households with incomes above $75,000 represented 47.8 percent (3,479) in the Convenience trade area and 50.1 percent (14,818) in the Destination trade area. This compares to

43.8 percent in the MSA. This is expected to increase to 53.8 percent (4,196) in the Convenience trade area and 56.4 percent (17,571) in the Destination trade area by 2019.

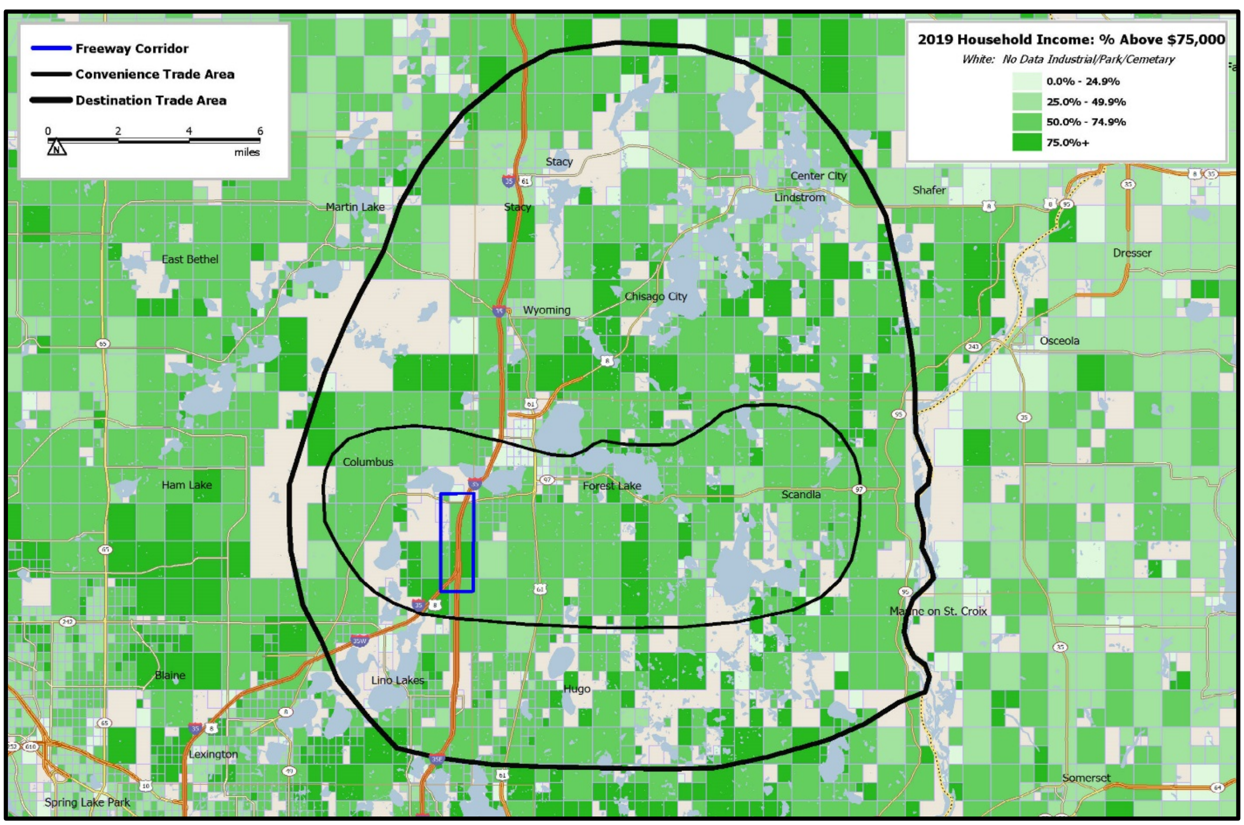
The proportion of households with incomes above $100,000 has increased dramatically since 2000. In 2014, 31.6 percent (2,302) of the Convenience trade area households were estimated to have incomes above $100,000 and are expected to increase to 36.4 percent (2,843) by 2019. In the Destination trade area, 34.1 percent (10,068) of the households were estimated to have incomes above $100,000 in 2014, and are estimated to increase to 38.7 percent (12,046) by 2019.

The proportion of households with incomes above $150,000 has about tripled since 2000. In 2014, 14.8 percent (1,078) of the Convenience trade area households were estimated to have incomes above $150,000 and are expected to increase to 19.4 percent (1,516) by 2019. In the Destination trade area, 14.7 percent (4,356) of the households were estimated to have incomes above $150,000 in 2014, and are estimated to increase to 19.6 percent (6,093) by 2019.

The distribution of households with incomes above $75,000 and $100,000 are shown on Maps 5 and 6, respectively. Map 5 demonstrates that within the Convenience trade area most of the area has over 50 percent of the households with incomes above $75,000. In the Destination trade area, there's a wide swath of area extending from the southwest to the northeast where over 50 percent of the households have incomes above $75,000 annually.

Map 5

COLUMBUS FREEWAY RETAIL DISTRICT TRADE AREAS
2019 ESTIMATED HOUSEHOLD INCOME: PERCENT ABOVE $75,000

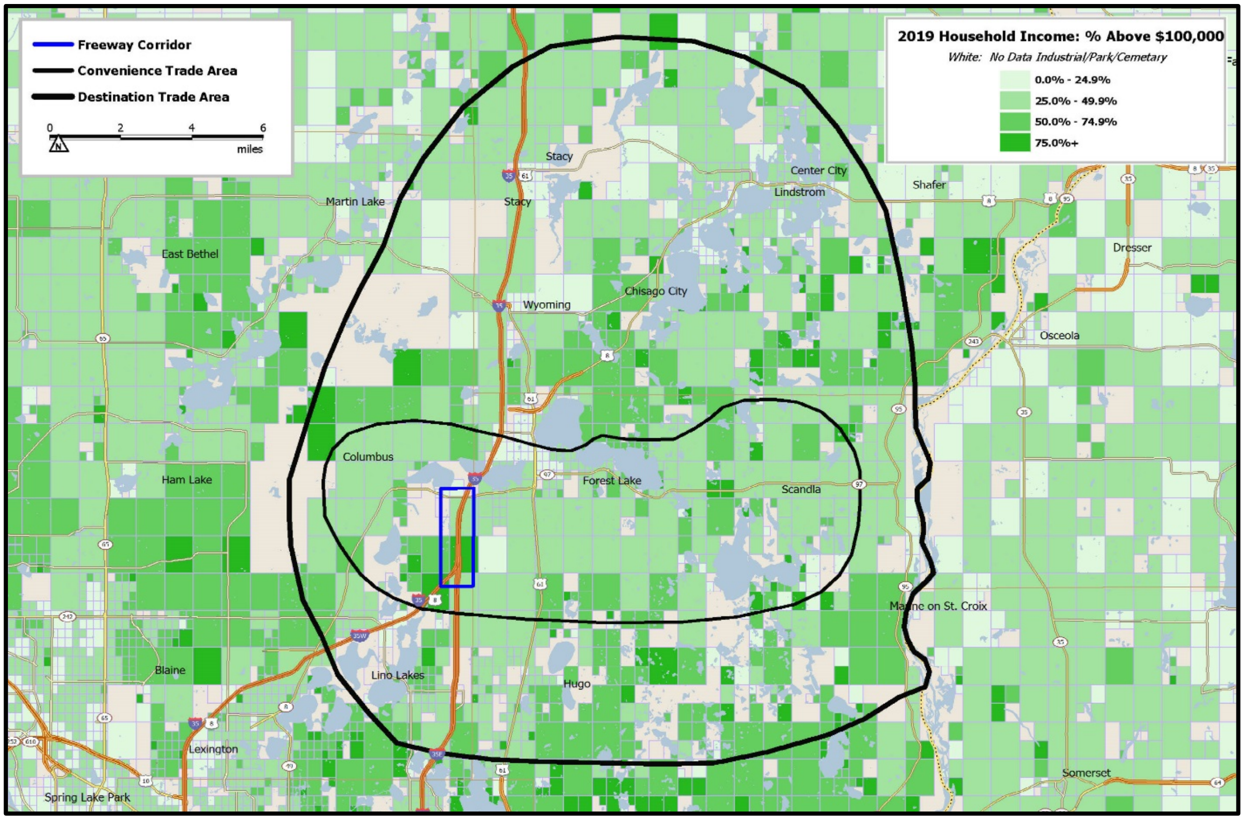


Source: Scan/US, Inc. and McComb Group, Ltd.

Households with estimated 2019 incomes above $100,000 are shown on Map 6. There are concentrations where over 50 percent of the households have incomes above $100,000 in and near the Freeway Retail District, as well as along the southern portion of the trade area and northwest portion. Households with incomes above $100,000 are clustered throughout the Destination trade area.

Map 6

COLUMBUS FREEWAY RETAIL DISTRICT TRADE AREAS
2019 ESTIMATED HOUSEHOLD INCOME: PERCENT ABOVE $100,000



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

These maps demonstrate that high income households are distributed throughout the two trade areas and are not concentrated in small geographic areas. There are significant concentrations of $100,000 household incomes north and south of the convenience trade area.

Demographic Characteristics

Demographic characteristics for the Freeway Retail District trade areas and the MSA are summarized in the demographic snapshots contained in Tables 8, 9, and 10. These snapshots contain census data for 2000 and 2010 as well as estimates for 2014 and 2019. These estimates were provided by Scan/US, Inc., a source of demographic information. Significant characteristics of the Freeway Retail District trade areas include the following:

- Median age of Destination trade area population was 43 in 2014 and is expected to increase to 45 in 2019. In comparison, the Convenience trade area is slightly older with a median age of 44 in 2014 increasing to 47 by 2019.

Table 8

McComb Group, Ltd.

DEMOGRAPHIC AND INCOME SNAPSHOT

Convenience Trade Area 5/18/2015

SNAPSHOT	2000 Census	2010 Census	2014 Estimated	2019 Projected
Population	14,578	18,380	18,908	20,081
Households	5,358	6,975	7,281	7,801
Families	4,084	5,189	5,430	5,820
Per Capita Income	$ 25,625	$ 29,877	$ 31,796	$ 33,866
Median Household Income	$ 59,915	$ 68,323	$ 72,942	$ 79,592
Average Household Income	$ 69,730	$ 78,486	$ 82,510	$ 87,118
Average Household Size	2.72	2.63	2.59	2.57
Median Age	38	40	44	47

	Annual Percent Change		
TRENDS	2000 - 2010	2010 - 2014	2014 - 2019
Population	2.34 %	0.71 %	1.21 %
Households	2.67	1.08	1.39
Families	2.42	1.14	1.40
Median Household Income	1.32	1.65	1.76
Average Household Income	1.19	1.26	1.09

	2000 Census		2010 Census		2014 Estimated		2019 Projected	
HOUSEHOLDS BY INCOME	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than $15,000	347	6.5 %	589	8.4 %	547	7.5 %	493	6.3 %
$15,000 - $24,999	406	7.6	456	6.5	404	5.6	381	4.9
$25,000 - $34,999	502	9.4	424	6.1	433	5.9	405	5.2
$35,000 - $49,999	812	15.2	763	10.9	916	12.6	953	12.2
$50,000 - $74,999	1,375	25.7	1,558	22.3	1,501	20.6	1,372	17.6
$75,000 - $99,999	965	18.0	1,317	18.9	1,177	16.2	1,353	17.3
$100,000 - $149,999	642	12.0	1,121	16.1	1,224	16.8	1,326	17.0
$150,000 +	308	5.8	747	10.7	1,078	14.8	1,516	19.4

POPULATION BY AGE	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<19	4,401	30.2 %	5,113	27.8 %	5,021	26.6 %	5,013	25.0 %
20-24	714	4.9	892	4.9	1,059	5.6	1,326	6.6
25-34	1,527	10.5	2,134	11.6	2,064	10.9	2,019	10.1
35-44	2,736	18.8	2,484	13.5	2,276	12.0	2,222	11.1
45-54	2,507	17.2	3,124	17.0	3,026	16.0	2,734	13.6
55-64	1,480	10.2	2,537	13.8	2,855	15.1	3,075	15.3
65-74	705	4.8	1,386	7.5	1,778	9.4	2,402	12.0
75-84	413	2.8	551	3.0	605	3.2	946	4.7
85+	95	0.7	159	0.9	224	1.2	343	1.7

GENDER	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Male	7,290	50.0 %	9,227	50.2 %	9,501	50.2 %	10,091	50.3 %
Female	7,278	49.9	9,155	49.8	9,404	49.7	9,991	49.8

RACE AND ETHNICITY	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	14,228	97.6 %	17,435	94.9 %	17,935	94.9 %	19,049	94.9 %
Black	35	0.2	159	0.9	157	0.8	170	0.8
Native American	42	0.3	63	0.3	64	0.3	72	0.4
Asian/Pacific Islander	98	0.7	365	2.0	379	2.0	393	2.0
Other Races	174	1.2	357	1.9	373	2.0	397	2.0
Hispanic (Any Race)	114	0.8	341	1.9	390	2.1	454	2.3

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

Table 9

McComb Group, Ltd.

DEMOGRAPHIC AND INCOME SNAPSHOT

Destination Trade Area 5/18/2015

SNAPSHOT	2000 Census	2010 Census	2014 Estimated	2019 Projected
Population	56,702	77,184	78,393	81,921
Households	19,974	28,555	29,547	31,151
Families	15,637	21,425	22,178	23,362
Per Capita Income	$ 24,078	$ 30,089	$ 32,498	$ 34,915
Median Household Income	$ 59,896	$ 71,595	$ 77,040	$ 83,423
Average Household Income	$ 68,126	$ 81,092	$ 86,007	$ 91,599
Average Household Size	2.81	2.68	2.63	2.61
Median Age	36	39	43	45

	Annual Percent Change		
TRENDS	2000 - 2010	2010 - 2014	2014 - 2019
Population	3.13 %	0.39 %	0.88 %
Households	3.64	0.86	1.06
Families	3.20	0.87	1.05
Median Household Income	1.80	1.85	1.60
Average Household Income	1.76	1.48	1.27

	2000 Census		2010 Census		2014 Estimated		2019 Projected	
HOUSEHOLDS BY INCOME	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than $15,000	1,271	6.4 %	1,688	5.9 %	1,510	5.1 %	1,373	4.4 %
$15,000 - $24,999	1,468	7.3	1,741	6.1	1,599	5.4	1,402	4.5
$25,000 - $34,999	1,772	8.9	2,038	7.1	1,586	5.4	1,437	4.6
$35,000 - $49,999	2,896	14.5	3,178	11.1	4,033	13.6	4,197	13.5
$50,000 - $74,999	5,759	28.8	6,315	22.1	6,003	20.3	5,172	16.6
$75,000 - $99,999	3,742	18.7	5,369	18.8	4,749	16.1	5,524	17.7
$100,000 - $149,999	2,155	10.8	5,229	18.3	5,713	19.3	5,954	19.1
$150,000 +	911	4.6	2,995	10.5	4,356	14.7	6,093	19.6
POPULATION BY AGE	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<19	17,975	31.7 %	22,130	28.7 %	21,472	27.4 %	21,025	25.7 %
20-24	2,419	4.3	3,402	4.4	4,067	5.2	5,537	6.8
25-34	7,270	12.8	9,183	11.9	8,890	11.3	8,250	10.1
35-44	11,035	19.5	11,434	14.8	10,343	13.2	9,554	11.7
45-54	8,571	15.1	13,353	17.3	13,003	16.6	11,862	14.5
55-64	4,890	8.6	9,528	12.3	10,838	13.8	12,494	15.3
65-74	2,420	4.3	4,983	6.5	6,177	7.9	8,326	10.2
75-84	1,540	2.7	2,234	2.9	2,425	3.1	3,490	4.3
85+	582	1.0	938	1.2	1,177	1.5	1,383	1.7
GENDER	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Male	28,664	50.6 %	38,758	50.2 %	39,382	50.2 %	41,155	50.2 %
Female	28,040	49.5	38,438	49.8	39,007	49.8	40,766	49.8
RACE AND ETHNICITY	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	55,364	97.6 %	73,364	95.1 %	74,499	95.0 %	77,870	95.1 %
Black	153	0.3	471	0.6	480	0.6	505	0.6
Native American	189	0.3	270	0.4	277	0.4	299	0.4
Asian/Pacific Islander	354	0.6	1,573	2.0	1,601	2.0	1,650	2.0
Other Races	641	1.1	1,505	2.0	1,536	2.0	1,597	1.9
Hispanic (Any Race)	553	1.0	1,368	1.8	1,536	2.0	1,790	2.2

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

Table 10

McComb Group, Ltd.

DEMOGRAPHIC AND INCOME SNAPSHOT

Minneapolis-St. Paul MSA 5/18/2015

SNAPSHOT	2000 Census	2010 Census	2014 Estimated	2019 Projected
Population	2,931,953	3,223,495	3,303,964	3,451,342
Households	1,124,228	1,252,834	1,295,992	1,358,222
Families	735,342	806,553	836,646	879,414
Per Capita Income	$ 26,132	$ 31,273	$ 33,645	$ 36,187
Median Household Income	$ 53,969	$ 62,273	$ 66,663	$ 71,527
Average Household Income	$ 67,710	$ 80,066	$ 85,313	$ 91,483
Average Household Size	2.55	2.52	2.50	2.50
Median Age	34	36	38	39

	Annual Percent Change		
TRENDS	2000 - 2010	2010 - 2014	2014 - 2019
Population	0.95 %	0.62 %	0.88 %
Households	1.09	0.85	0.94
Families	0.93	0.92	1.00
Median Household Income	1.44	1.72	1.42
Average Household Income	1.69	1.60	1.41

	2000 Census		2010 Census		2014 Estimated		2019 Projected	
HOUSEHOLDS BY INCOME	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than $15,000	105,180	9.4 %	118,377	9.4 %	105,313	8.1 %	97,719	7.2 %
$15,000 - $24,999	104,588	9.3	106,670	8.5	91,173	7.0	76,664	5.6
$25,000 - $34,999	124,577	11.1	112,522	9.0	102,206	7.9	92,146	6.8
$35,000 - $49,999	177,425	15.8	161,198	12.9	188,273	14.5	210,210	15.5
$50,000 - $74,999	261,462	23.3	241,462	19.3	241,136	18.6	221,863	16.3
$75,000 - $99,999	162,319	14.4	182,943	14.6	171,855	13.3	197,365	14.5
$100,000 - $149,999	122,473	10.9	195,249	15.6	205,601	15.9	209,192	15.4
$150,000 +	66,205	5.9	134,413	10.7	190,435	14.7	253,063	18.6

POPULATION BY AGE	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<19	862,255	29.4 %	887,111	27.5 %	886,421	26.8 %	898,566	26.0 %
20-24	189,155	6.5	209,230	6.5	208,907	6.3	222,301	6.4
25-34	450,929	15.4	469,611	14.6	471,284	14.3	431,713	12.5
35-44	520,727	17.8	446,174	13.8	438,698	13.3	459,516	13.3
45-54	400,157	13.6	498,893	15.5	480,588	14.5	454,638	13.2
55-64	223,844	7.6	364,897	11.3	409,477	12.4	460,010	13.3
65-74	145,676	5.0	186,220	5.8	231,501	7.0	307,114	8.9
75-84	100,560	3.4	109,921	3.4	116,425	3.5	143,940	4.2
85+	38,651	1.3	51,438	1.6	60,663	1.8	73,544	2.1

GENDER	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Male	1,448,085	49.4 %	1,591,007	49.4 %	1,630,605	49.4 %	1,703,214	49.3 %
Female	1,483,867	50.6	1,632,488	50.6	1,673,359	50.6	1,748,128	50.7

RACE AND ETHNICITY	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	2,519,095	85.9 %	2,600,676	80.7 %	2,670,355	80.8 %	2,798,775	81.1 %
Black	157,812	5.4	242,869	7.5	246,438	7.5	252,595	7.3
Native American	22,478	0.8	23,944	0.7	24,639	0.7	25,817	0.7
Asian/Pacific Islander	123,642	4.2	188,513	5.8	191,480	5.8	196,839	5.7
Other Races	108,926	3.7	167,493	5.2	171,052	5.2	177,316	5.1
Hispanic (Any Race)	100,382	3.4	176,887	5.5	190,899	5.8	213,044	6.2

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

- In 2014, 27.4 percent of the Destination trade area population was under the age of 19 and is expected to decrease to 25.7 percent by 2019. In the Convenience trade area, 26.6 percent of the population was under 19 in 2014 and is expected to decrease slightly to 25.0 percent in 2019.

- Population in both the Convenience and Destination trade areas is aging slightly. In the Convenience trade area, the percent of households above age 65 is expected to increase from 13.8 percent in 2014 to 18.4 percent in 2019. During the same period, Destination trade area population above 65 is expected to increase from 12.5 percent to 16.2 percent.

- Average household income in the Convenience and Destination trade areas is expected to increase to $87,118 and $91,599, respectively, by 2019. During this same period, the percent of households with incomes above $100,000 is estimated to increase to 36.4 percent and 38.7 percent, respectively.

- The Convenience and Destination trade areas have a Caucasian population of 94.9 percent and 95.0 percent, respectively, in 2014. This is expected to remain stable through 2019. The largest minority group in both trade areas is Asian/Pacific Islander (2.0 percent).

The Freeway Retail District trade areas are generally affluent, growing slightly older, and populated primarily by Caucasians. Additional demographic characteristics for the Convenience and Destination trade areas and the MSA are contained in Appendix A at the end of this report.

Purchasing Power

Retail sales potential for the Freeway Retail District trade areas is based on estimated purchasing power and market share that can be achieved from the trade area. Retail sales from residents living outside the trade area are inflow sales. Purchasing power estimates of trade area residents are derived from retail sales by store type as reported by the Census of Retail Trade in 2002 and 2007. Retail sales for 2008 through 2012 were estimated using information available from the U.S. Department of Commerce and Minnesota sales tax records. Future purchasing power estimates are expressed in current dollars and reflect projected household growth.

Purchasing power is based on the number of trade area households adjusted to reflect income characteristics. Purchasing power, for the purpose of this analysis, includes retail categories that are characteristic of tenants that could be located in Columbus. The estimated retail purchasing power summary table for the Freeway Retail District trade areas for 2015 and 2020 is shown in Table 11.

Total retail purchasing power for the Convenience trade area was estimated at $313.9 million in 2015 and is expected to increase to $392.5 million by 2020, an annual growth rate of 4.6 percent. Purchasing power for convenience goods in this trade area is expected to increase from $53.3 million in 2015 to $66.7 million in 2020.

Destination trade area retail purchasing power is much higher due to its larger population and household count. Retail purchasing power was estimated at $1.3 billion in 2015 and is estimated to increase to $1.6 billion in 2020. Shopping goods purchasing power is estimated at $388.6 million in 2015 and is estimated to increase to $481.0 million in 2020. Convenience goods purchasing power in this trade area is estimated at $221.2 million in 2015, increasing to $273.9 million by 2020.

Table 11

COLUMBUS FREEWAY RETAIL DISTRICT CONVENIENCE AND DESTINATION TRADE AREAS: RETAIL PURCHASING POWER; 2015 AND 2020
(In Thousands of Dollars)

Merchandise Category	2015	2020
Convenience Trade Area		
Shopping Goods	$ 93,643	$ 117,092
Food Service & Drinking	35,244	44,069
Convenience Goods	53,314	66,660
Gasoline Service Stations & Convenience	38,753	48,456
Other Stores	92,927	116,197
Total	$ 313,881	$ 392,474
Destination Trade Area		
Shopping Goods	$ 388,550	$ 481,044
Food Service & Drinking	146,236	181,048
Convenience Goods	221,205	273,866
Gasoline Service Stations & Convenience	160,796	199,074
Other Stores	385,578	477,368
Total	$ 1,302,365	$ 1,612,400

Source: McComb Group, Ltd.

The purchasing power estimates used in this analysis are condensed from the full purchasing power tables, which are contained in a separate Appendix. These estimates represent the potential dollar sales for a broad range of retail stores generated by residents of the Convenience and Destination trade areas.

Chapter IV

FREEWAY RETAIL DISTRICT RETAIL SALES AND MARKET SHARE

Future sales potential is based on market share that can be achieved by retail stores in the Freeway Retail District taking into consideration trade area households, future growth, and potential competitive developments. Since the U.S. Census of Retail Trade does not report retail sales for Columbus, market share estimates for the Freeway Retail District are based on retail and service sales in Forest Lake and McComb Group knowledge of the Twin Cities retail market.

Retail Sales

The U.S. Census of Retail Trade does not report retail sales for Columbus. The Freeway Retail District, however, serves a geographic area that is roughly similar to the Forest Lake trade area. Due to that fact, the retail sales reported for Forest Lake in 2002 and 2007 by the U.S. Census of Retail Trade were used in this analysis and adjusted to reflect the Freeway Retail District location. Retail sales for 2012 were estimated using retail sales based on Minnesota sales tax records. This data is not as extensive as the Census of Retail Trade data, but provides an indication of overall trends. The Retail Census reported sales for 143 retailers in 2002 and 131 in 2007 with retail sales decreasing from $532.0 million to $447.0 million, and rebounding to $453.3 million in 2012, as shown in Table 12. In the convenience retail category, grocery store sales decreased from $80.3 million in 2002 to $54.0 million in 2012, reflecting Walmart's conversion to a supercenter. Health and personal care stores retail sales increased from $7.5 million to $18.6 million. Food service sales increased from $28.5 million in 2002 to $35.6 million in 2012. Convenience stores with gasoline retail sales increased from $39.6 million in 2002 to $64.7 million in 2012, reflecting primarily increases in gasoline prices. In the shopping goods category, retail sales were reported for general merchandise stores in 2002 at $98.8 million and $106.6 million in 2007 for four stores. Of the categories that reported retail sales in 2002, 2007, and 2012, clothing and accessories, home furnishings, and electronics and appliance stores sales have declined. Retail sales of building materials and garden equipment dealer sales and automobile dealers both declined between 2007 and 2012.

In the services sector, the number of establishments increased from 51 in 2002 to 73 in 2012 with sales decreasing modestly from $23.5 million to $17.6 million. Health care establishments decreased from 36 establishments in 2002 to 34 establishments in 2012.

Market Share

Market share for Forest Lake retail and service establishments in 2012 is estimated in Table 13, which also contains Forest Lake retail and service sales for 2012. Purchasing power was calculated by McComb Group. Retail sales in Forest Lake derived from the Freeway Retail District Destination trade area were estimated for each retail category to determine trade area sales and market share as a percent of purchasing power. Food and beverage store sales of $54.0 million with 90 percent of the sales from the trade area results in trade area sales of $48.6 million and a market share of 36.96 percent of estimated purchasing power of $131.5 million. Inflow sales, about $5.4 million, are derived from shoppers living outside the trade area. Liquor store sales were estimated at $6.7 million with 90 percent of their sales derived from the trade area resulting in an estimated market share of about 31.52 percent. Health and personal care stores (drug stores) retail sales of $18.6 million represented a market share of 34.33 percent. In the food service category, full-service restaurant market share was estimated at about 17.93 percent; while limited-service eating places market share was about 37.56 percent. Gasoline and convenience stores captured about 31.72 percent of trade area purchasing power.

Table 12

FOREST LAKE RETAIL AND SERVICES SALES AND BUSINESS ESTABLISHMENTS: 2002, 2007, AND 2012
(In Thousands of Dollars)

Store Type	2002 Number	2002 Dollars	2007 Number	2007 Dollars	2012 Number	2012 Dollars
CONVENIENCE						
Food & Beverage Stores	12	$ 80,307	7	$ 36,489	1	$ 54,000
Grocery stores	6	73,979			4	46,500
Specialty food stores			2	D	3	750
Liquor stores	6	6,328			8	6,750
Health & Personal Care Stores	6	7,480	5	17,420	7	18,637
FOOD SERVICE						
Food Services & Drinking Places	43	$ 28,531	42	$ 37,770	40	$ 35,627
Full-service eating places	21	13,060	18	17,595	12	13,730
Limited-service eating places	22	14,971	21	20,175	28	21,897
GASOLINE/CONVENIENCE						
Gasoline Stations	13	$ 39,637	11	$ 54,171	8	$ 64,677
SHOPPING GOODS						
General Merchandise Stores	4	$ 98,837	4	$106,652	2	
Clothing & Clothing Accessories Stores	10	3,896	7	3,098	8	2,197
Furniture & Home Furnishings Stores	3	5,232	4	1,682	9	1,339
Electronics & Appliance Stores	5	$ 2,298	4	D	5	$ 921
OTHER SHOPPING GOODS						
Sporting Goods, Hobby, Book & Music Stores	8	$ 5,440	9	$ 6,359	6	$ 3,732
Other miscellaneous store retailers	5	1,618	8	4,794		
Miscellaneous Store Retailers	9	7,650	15	D		
Other Retail Stores						
Building Material & Garden Equip. & Supplies Dealers	15	77,809	13	83,153	10	73,377
Building material and supplies dealers	14	D	11	D		
Other building material dealers	9	D	6	11,912		
Lawn and garden equipment and supplies stores			2	D		
Motor Vehicle & Parts Dealers			15	86,543		
Automobile dealers	8	$164,596	8	$ 77,415	13	$ 67,304
New car dealers	5	155,039				
Used car dealers	3	9,557	4	10,499		
Automotive Paaarts, Accessories, & Tire Stores	7	8,324				
TOTAL - RETAIL TRADE	143	$532,515	131	$447,009	125	$453,296
SERVICES						
Personal Care Services	20	$ 7,401	18	$ 7,363	30	$ 6,918
Laundry services					4	1,443
Hair, nail & skin care services	9	5,431	10	4,935	12	4,678
Beauty salons	11	5,331	8	4,935	7	4,503
Repair & maintenance	31	13,816	25	10,525	43	13,144
Automotive repair & maintenance	24	11,478	17	8,593	23	10,731
TOTAL - SERVICES	51	$ 23,517	43	$ 17,888	73	$ 17,649
HEALTH CARE						
Ambulatory Health Care						
Office of physicians	2	D	2	D	3	
Offices of dentists	7	$ 4,302	12	$ 12,103	11	
Offices of other health practitioners	10	5,232	14	D		
Office of chiropractors	6	1,770	8	2,505	3	
TOTAL - HEALTH CARE & SOCIAL ASSISTANCE	36	$ 36,006	34	$ 42,433	34	

NA Not Available
D: Suppressed by U.S. Census Bureau.
Source: U.S. Census Bureau, Minnesota Department of Revenue, City of Buffalo and McComb Group, Ltd.

There are several convenience goods retail categories with markets shares between 31 and 37 percent. Other retail categories with high market share include limited-service eating places, gasoline stations, and building materials. This testifies to the drawing power of the Forest Lake retail area.

Table 13

FOREST LAKE RETAIL AND SERVICE MARKET SHARE; 2012
(In Thousands of Dollars)

Store Type	Purchasing Power	Retail Sales	Trade Area Percent	Trade Area Sales	Market Share
RETAIL TRADE					
Convenience Retail					
Food & Beverage Stores	$ 131,493	$ 54,000	90%	$ 48,600	36.96 %
Grocery Store	112,222	46,500	90%	41,850	37.29
Specialty Food Stores	3,967	750	90%	675	17.02
Liquor Stores	19,271	6,750	90%	6,075	31.52
Health and Personal Care Stores	48,856	18,637	90%	16,773	34.33
Food Service					
Food Services and Drinking Places	$ 129,792	$ 35,627	70%	24,939	19.21
Full-Service Eating Places	53,617	13,730	70%	9,611	17.93 %
Limited-Service Eating Places	40,808	21,897	70%	15,328	37.56
Gasoline/Convenience					
Gasoline Stations	$ 142,715	$ 64,677	70%	$ 45,274	31.72 %
Shopping Goods					
Clothing & Clothing Accessories Stores	$ 48,292	$ 2,197	85%	$ 1,867	3.87 %
Furniture & Home Furnishings Stores	33,326	1,339	85%	1,138	3.42
Electronics & Appliances Stores	35,253	921	85%	783	2.22
Other Shopping Goods					
Sporting Goods, Hobby, Book & Music Stores	$ 64,072	$ 3,732	85%	$ 3,172	4.95 %
Other Retail Stores					
Building Materials & Garden Equip. & Supplies Dealers	119,024	73,377	65%	47,695	40.07
SERVICES					
Personal Care Services	$ 12,255	$ 6,918	90%	6,226	50.81 %
Hair, Nail, & Skin Care Services	10,292	4,678	90%	4,210	40.91
Beauty Salons	9,581	4,503	90%	4,053	42.30
Persoanl & Laundry Services	2,039	1,443	90%	1,299	63.69
Automotive Repair & Maintenance	13,832	10,731	90%	9,658	69.82 %

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

Four shopping goods categories have market share of less than 5.00 percent. Personal care services have a 50.81 percent market share; and automotive repair and maintenance achieves a 69.82 percent market share.

Future retail and service sales potential for Freeway Retail District retailers is based on market share that can be achieved taking into consideration past trends in the Forest Lake retail area, trade area households, future growth, and potential competitive developments. Market share estimates are based on analysis conducted as a part of this engagement, McComb Group knowledge of the Twin Cities area retail market, and assumptions contained in Table 14. Market share was estimated for each retail and service category taking into consideration past market share performance, trade area size, competitive store locations, and industry experience. Market share and trade area sales reflect sales potential for the Freeway Retail District.

Table 14

COLUMBUS FREEWAY RETAIL DISTRICT
MARKET SHARE AND TRADE AREA SALES

Store Type	Destination Trade Area Market Share	Destination Trade Area Sales
Convenience Goods		
Supermarkets	10.0 %	90 %
Other Food Stores	10.0	90
Drug & Proprietary	10.0	90
Liquor Stores	10.0	90
Hardware Stores	10.0	90
Food Service		
Full-Service Restaurants	8.0 %	70 %
Limited-Service Restaurants	10.0	75
Convenience/Gasoline Stores	2.5 %	70 %
Shopping Goods		
General Merchandise	8.0-20.0 %	65-70 %
Apparel & Accessories	5.0	70
Furniture & Home Furnishings	10.0	65
Electronics & Appliances Stores	10.0	65
Other Shopping Goods	10.0-20.0	65
Other Retail Stores		
Building Materials	10.0 %	70 %
Auto Parts & Accessories	10.0	85
Services	10.0-20.0 %	85 %
Health Care	10.0-12.0 %	85 %

Source: McComb Group, Ltd.

Using the supermarket category as an example, market share is estimated at 10.0 percent with 90 percent of the sales derived from the trade area. In the other convenience goods categories, market share is also 10.0 percent with 90 percent of the sales derived from the trade area. Food service market share ranges from 8.0 to 10.0 percent with 75 percent of the food service sales derived from the trade area. Convenience/gasoline has a 2.5 percent market share with 70 percent of the sales derived from the trade area. Other retail stores market share is 10.0 percent with 70 to 85 percent of the sales derived from the trade area. Services market share is estimated at 10.0 to 20.0 percent with 85 percent of the sales derived from the trade area. Health care market share is estimated at 10.0 to 12.0 percent with 85 percent of the sales derived from the trade area.

Sales Potential

Estimated retail and service space demand is a two-step process. Sales potential for each retail or service category is estimated first to determine if retail sales are sufficient to support a store. Next, store size is determined based on sales productivity and typical store size for each category. This methodology is illustrated for 2015 in Tables 15 and 16. In the case of the Destination trade area, these tables use destination type tenants to illustrate how supportable square footage of retail stores and services is determined.

Grocery store market share is estimated at 10.0 percent with 90 percent of the sales derived from the trade area. This results in sales potential of $14.0 million, as shown in Table 15. Drug store sales potential is $6.1 million. Food service sales potential is $6.9 million for full-service restaurants and $6.1 million for limited-service restaurants. The same approach is used for other retail and service categories. Sales potential for other retail stores and services is contained in Appendix D (under separate cover).

Table 15

COLUMBUS FREEWAY RETAIL DISTRICT
RETAIL PURCHASING POWER, MARKET SHARE, AND SALES POTENTIAL; 2015
BY MERCHANDISE CATEGORY
(In Thousands of Dollars)

Merchandise Category	Resident Purchasing Power	Estimated Market Share	Trade Area Sales	Trade Area Percent	Other Shoppers	Estimated Total Sales
CONVENIENCE GOODS						
Grocery Stores	$ 126,439	10.0 %	$ 12,644	90 %	$ 1,405	$ 14,049
Drug & Proprietary Stores	55,046	10.0	5,505	90	612	6,116
Hardware Stores	8,429	10.0	843	90	94	937
Liquor Stores	21,712	10.0	2,171	90	241	2,412
Florist	3,193	10.0	319	90	35	355
Food/Health Supplement Stores	1,277	10.0	128	90	14	142
Food Service						
Full-Service Restaurants	$ 60,410	8.0 %	$ 4,833	70 %	$ 2,071	$ 6,904
Limited-Service Restaurants	45,978	10.0	4,598	75	1,533	6,130
Snack & Beverage Places	10,217	10.0	1,022	70	438	1,460

Source: McComb Group, Ltd.

Supportable gross leasable area (GLA) for retail stores is estimated by dividing sales potential by sales per square foot productivity appropriate for each store, as shown in Table 16. Supportable GLA for grocery stores is 30,500 square feet, which is sufficient to support a specialty or natural foods grocer. In the drug store category, retail sales potential of $6.1 million divided by $460 per square foot results in supportable square footage of 13,300 square feet. This indicates future potential for a drug store. Supportable space for full-service and limited-service restaurants is 19,100 and 15,300 square feet, respectively, for each category.

Table 16

COLUMBUS FREEWAY RETAIL DISTRICT
RETAIL SALES POTENTIAL AND SUPPORTABLE SPACE BY MERCHANDISE CATEGORY; 2015

Merchandise Category	Estimated Sales Potential	Sales/ Sq. Ft.	Supportable Sq. Ft.	Store Size		
				Low	Medium	High
CONVENIENCE GOODS						
Grocery Stores	$ 14,049,000	$ 460	30,541	31,676	52,500	65,888
Drug & Proprietary Stores	6,117,000	460	13,298	8,280	11,700	23,714
Hardware Stores	937,000	185	5,065	5,638	13,831	27,743
Liquor Stores	2,412,000	375	6,432	1,305	2,856	7,210
Florist	354,000	190	1,863	766	1,600	5,396
Food/Health Supplement Stores	142,000	250	568	1,200	1,234	1,968
Food Service						
Full-Service Restaurants	$ 6,904,000	$ 360	19,178	2,000	4,500	9,775
Limited-Service Restaurants	6,131,000	400	15,328	1,335	3,000	3,400
Snack & Beverage Places	1,460,000	300	4,867	850	1,500	2,495

Source: McComb Group, Ltd.

Sales per square foot estimates are derived from median store sales per square foot for each tenant type contained in *Dollars & Cents of Shopping Centers, 2008*, published by the Urban Land Institute. Supportable GLA is calculated by dividing sales potential by sales per square foot. This analysis was used to provide an estimate of the supportable square footage in each retail store category. The detailed tables resulting from these calculations are contained in Appendix E for 2010 and 2015.

Chapter V

COLUMBUS RETAIL POTENTIAL AND RECOMMENDATIONS

Columbus is a growing community located along I-35, a major growth corridor in the northeast Metropolitan Area. Factors that support retail development in Columbus include:

- ♦ The Freeway Retail District is served by an interchange at I-35 and Lake Drive/Scandia Trail. Scandia Trail is the primary arterial linking I-35 with the affluent residential area in Scandia on the St. Croix River.

- ♦ The Freeway Corridor currently contains 24 retail stores and service establishments including a very successful Gander Mountain store and Running Aces Harness Park, both of which attract patrons from a wide area.

- ♦ Freeway Retail District retail properties have excellent visibility from I-35, which also provides access for residents of the northeastern Metro Area.

The Freeway District has two distinct trade areas: one supporting destination retailers such as Gander Mountain, and one supporting convenience retail stores and services. Population and household growth in these trade areas exceeded the growth rates in the MSA between 2000 and 2010. Since the great recession, population and household growth has slowed.

Destination Trade Area

The Destination trade area is similar to Forest Lake's trade area and makes Columbus a strong location for larger stores that cannot be accommodated at West Broadway and I-35 in Forest Lake, three minutes to the north, due to limited land supply.

- ♦ Destination trade area population grew at an annual rate of 0.39 percent between 2010 and 2014, and is estimated to increase to 81,921 people in 2019, an annual growth rate of 0.88 percent.

- ♦ Destination trade area households grew at an annual rate of 0.86 percent between 2010 and 2014, and are estimated to increase to 31,151 households by 2019, a 1.06 percent growth rate.

- ♦ Average household income in the Destination trade area was $86,007 in 2014, and is estimated to increase to $91,599 by 2019.

- ♦ In 2014, half of the households in the Destination trade area had incomes above $75,000 annually. This is expected to reach 56.4 percent by 2019.

- ♦ By 2019, it is estimated that 38.7 percent of the Destination trade area households will have incomes in excess of $100,000.

- ♦ High income households are distributed throughout the trade area and are not concentrated in small geographic pockets.

- Residential areas of Forest Lake with high household density are conveniently located close to the Freeway Retail District.

Destination trade area growth is expected to increase in the 2014 to 2019 period. Accelerating growth will improve the demand for retail development.

Convenience Trade Area

The Convenience trade area includes the residential areas served by Lake Drive to the west and Scandia Trail to the east.

- Convenience trade area population increased at an annual rate of 0.71 percent between 2010 and 2014, and is estimated to grow to 20,081 by 2019, an annual growth rate of 1.21 percent.

- Convenience trade area households grew at an annual growth rate of 1.08 percent between 2010 and 2014, and are estimated to reach 7,801 by 2019, a growth rate of 1.39 percent.

- Average household income for the Convenience trade area was $82,510 in 2014, and is estimated to increase to $87,118 by 2019.

- In 2014, almost half (47.8 percent) of the households in the Convenience trade area had incomes above $75,000 annually. This is expected to increase to 53.8 percent in 2019.

- By 2019, it is estimated that 36.4 percent of the Convenience trade area households will have incomes in excess of $100,000.

The Convenience trade area is growing at a faster pace than the Destination trade area, and has a slightly lower household income. Retail development in the Freeway Retail District should focus on businesses that are not represented in Forest Lake or that are under-represented.

Columbus Retail Potential

Trade area residents, along with inflow shoppers, provide support for retail stores, restaurants, and services to complement those located in Forest Lake. Recently, retail potential has been constrained by slow residential growth and generally stagnant inflation adjusted wages. These factors have influenced retail demand by causing households to become more economical. These trends are slowing the demand for additional retail space.

Retail stores and services supported by trade area residents are generally those associated with a neighborhood center, or destination retailers.

The trade area offers future market support for several convenience goods retailers, as shown in Table 17. This table also contains the range of store sizes in square feet of GLA from *Dollars & Cents of Shopping Centers*, published by the Urban Land Institute. For most categories, the median store size is bracketed by high and low square feet. Low represents the smallest size store that is likely to be economically viable. In most situations, stores of less than 1,200 square feet are not feasible unless sales per square foot are well above average.

Table 17

COLUMBUS FREEWAY RETAIL DISTRICT SUPPORTABLE SPACE
BY MERCHANDISE AND SERVICE CATEGORY; 2015 AND 2020
(Gross Leasable Area)

Merchandise Category	2015	2020	Store Size Low	Store Size Median	Store Size High
CONVENIENCE GOODS					
Food Stores					
Grocery Stores	30,541	37,811	31,676	52,500	65,888
Drug & Proprietary Stores	13,298	16,461	8,280	11,700	23,714
Hardware	5,065	6,270	5,638	13,831	27,743
Liquor	6,432	7,965	1,305	2,856	7,210
Florist	1,863	2,311	766	1,600	5,396
Food Service					
Full-Service Restaurants	19,178	23,742	2,000	4,500	9,775
Limited-Service Restaurants	15,328	18,973	1,335	3,000	3,400
Snack & Beverage Places	4,867	6,023	850	1,500	2,495
Gasoline Svs Stations/Conv.					
Gas/Convenience Food Stores	3,688	4,566	1,500	2,933	6,121
SHOPPING GOODS					
General Merchandise Stores					
Discount Stores	34,684	42,892	57,720	94,788	141,985
Dollar Stores	5,256	6,504	3,200	8,400	11,212
Furniture & Home Furnishings					
Furniture	29,854	36,958	3,108	7,927	36,712
Floor Coverings	5,236	6,489	1,229	3,593	7,819
All Other Home Furnishings Stores	7,857	9,731	2,868	3,570	6,500
Electronics & Appliances Stores					
Radio, TV, & Electronics Stores	13,230	16,380	1,208	3,406	10,451
OTHER RETAIL STORES					
Building Materials & Garden Supplies					
Paint, Glass & Wallpaper	3,004	3,716	2,348	3,533	5,028
Lawn & Garden Equipment					
Outdoor Power Equipment	4,010	4,970	N/A	N/A	N/A
Retail Nurseries, Lawn & Garden	17,160	21,230	N/A	15,000	N/A
Motor Vehicles & Parts Dealers					
Auto Parts & Accessories Stores	6,460	8,000	2,232	6,500	13,000
Tire Dealres	4,880	6,045	3,514	6,944	12,014
SERVICES					
Personal Care Services					
Beauty Shops	6,374	7,326	900	1,400	3,480
Nail Salons	800	918	773	1,200	1,807
Dry Cleaning & Laundry Services					
Dry Cleaning & Laundry Services (except coin-op.)	1,727	1,987	1,038	1,608	2,731
Other Personal Services					
Child Day Care Services	17,540	20,150	3,059	5,050	7,495
Veterinarian Services	5,849	6,729	1,346	2,122	2,701
Pet Care	2,013	2,307	N/A	1,200	N/A
Recreation					
Physical Fitness Facilities	20,138	23,138	1,433	6,448	32,170
Automotive Repair & Maintenance					
General Automotive Repair	13,190	15,160	2,400	6,200	10,624
Paint or Body Retail Shops	7,890	9,065	N/A	N/A	N/A
Automotive Glass Replacement	1,560	1,795	N/A	N/A	N/A
Automotive Oil Change & Lubrication Shops	1,360	1,560	N/A	N/A	N/A
HEALTH CARE					
Offices of Physicians					
Offices of Physicians (except mental health specialists)	35,213	40,471	969	1,652	4,008
Offices of Dentists	13,554	15,580	1,090	1,700	3,970
Offices of Chiropractors	1,957	2,249	1,090	1,600	3,970
Physical & Occupational Therapists	1,687	1,939	1,090	1,600	3,970

Source: McComb Group, Ltd.

Convenience retailers include grocery, drug, hardware, liquor, floral, and convenience/gasoline stores. Grocery stores currently seeking locations in the Twin Cities are smaller natural food stores. These stores range from 20,000 to 30,000 square feet in size. This category represents about 10 percent of total food sales. Market support exists for additional full-service restaurants, limited-service restaurants, and snack and beverage places. Smaller stores and services will cluster around the larger stores and benefit from their customer attraction. These convenience categories could range from 80,000 to 100,000 square feet.

The sales potential for service establishments is also contained in Table 17. The trade area has the market potential to support beauty shops, dry cleaners, child day care centers, physical fitness, financial services, and automotive repair and maintenance establishments. Other services may also find the area attractive. These categories and other services could total about 40,000 to 60,000 square feet.

Health care is a rapidly growing category as medical practitioners seek to locate closer to their patients. There is market potential for dental and chiropractic offices. One of the large medical groups may wish to expand in the greater Forest Lake area; and Columbus would be a convenient location for their patients. Depending on the clinic size, this category could represent 30,000 to 50,000 square feet.

The above uses could represent 150,000 to 210,000 square feet of development. Based on typical development density, these uses could be accommodated on 21 to 25 acres. These uses should be located on sites in the interchange area where about 35 acres suitable for convenience or destination retail development is available.

Destination retailers find the Freeway Retail District area attractive due to its high traffic counts and convenience access provided by I-35 from Minneapolis, St. Paul, northern suburbs, and communities to the north.

Destination stores range in size from 40,000 to over 100,000 square feet and attract customers from a wider area, as well as substantial inflow purchases from customers living outside the trade area. Stores in this category include furniture, electronics, general merchandise, motor vehicle and recreational vehicle dealers, and other large businesses.

There may be an opportunity for a movie theater in the Freeway Retail District. Forest Lake has a small, older movie theater several miles away. The other theater in the area is located nine miles to the south at County Road J. This theater is difficult to reach from the north as the interchange with County Road J only has exits and entrances from the south.

Sites for these uses range from 4.0 acres to over 10.0 acres depending on store size and outdoor display area. The demand for freestanding destination retailers is difficult to predict. The Freeway Retail District has about 50.0 acres suitable for destination uses, which may accommodate eight to 10 businesses. This is likely to be more stores than are likely to desire to be in the Freeway Retail District in a reasonable development timeframe of 10 to 15 years. These types of destination businesses will typically draw their customers from a 10- to 15-minute drive time.

Recommendations

The Freeway District has about 215 acres, excluding wetlands, that is zoned Commercial Retail (CR). This area would support between 1.9 and 2.1 million square feet of development exclusive of detention areas. By way of comparison, the Rosedale/Har Mar area in Roseville has about 2.1 million square feet of shopping center space.

Evaluation of the Freeway Retail District area indicates that about 37 acres are suitable for convenience and/or destination retailers; while likely convenience retail demand is estimated at 21 to 25 acres. Parcels suitable for destination retailers totals about 70 acres, about 20 acres of which are developed, leaving 50 acres available for development. The remaining 106 acres are suitable for other types of development. These parcels along I-35 would be suitable for business park type development. The parcels along Lake Drive, west of the future street west of the Holiday Stationstore, would be suitable for business park or multi-family development.

The Freeway Corridor includes areas that are zoned Commercial Retail (CR), Commercial Showroom (CS), Light Industrial (LI), and Horse Racing (HR). The CR and CS districts permit many of the same uses and CS uses are permitted in the LI district. Combining the CR and CS uses in one zoning district would create more flexible development for commercial development. Areas zoned CR along I-35 should be considered for LI zoning. This may require some adjustment to the relationship between the uses currently permitted in the CS district as related to the LI district.

Columbus has proposed a future road system to serve the Freeway Retail District. The relocation of Hornsby Street prepared this area for development. The planned relocation of Hornsby Street on the north can be implemented with a planned development or, if necessary, with reconstruction of the I-35 interchange. The proposed road system along Lake Drive west of I-35 improves development potential in that area.

Reconstruction of the I-35 interchange will improve access to the Freeway Retail District. This reconstruction may be necessary to accommodate the additional traffic generated by retail developments in the area.

The City of Columbus should consider master planning the areas north and south of Scandia Trail to accommodate interested retailers in a way that does not preclude future desired retail development.

The City should consider preparing a marketing brochure and related collaterals that would highlight the positive locational factors and trade area demographics to uses with interested businesses and brokers.

Appendix A

DEMOGRAPHIC CHARACTERISTICS

Table A-1 **Columbus Freeway Retail District Convenience and Destination Trade Areas and Minneapolis-St. Paul MSA; Population and Households: 1990 and 2000 Census; 2014 and 2019 Estimated**

Table A-2 **Columbus Freeway Retail District Convenience and Destination Trade Areas and Minneapolis-St. Paul MSA; Average and Median Household Incomes: 1990 and 2000 Census; 2014 and 2019 Estimated**

Table A-3 **Columbus Freeway Retail District Convenience and Destination Trade Areas and Minneapolis-St. Paul MSA; Household Income: 1990 and 2000 Census; 2014 and 2019 Estimated**

Table A-4 **Columbus Freeway Retail District Convenience and Destination Trade Areas and Minneapolis-St. Paul MSA; Households, Families and Household Size: 1990 and 2000 Census; 2014 and 2019 Estimated**

Table A-5 **Columbus Freeway Retail District Convenience and Destination Trade Areas and Minneapolis-St. Paul MSA; Educational Attainment: 1990 and 2000 Census; 2014 and 2019 Estimated**

Table A-6 **Columbus Freeway Retail District Convenience and Destination Trade Areas and Minneapolis-St. Paul MSA; Gender: 1990 and 2000 Census; 2014 and 2019 Estimated**

Table A-7 **Columbus Freeway Retail District Convenience and Destination Trade Areas and Minneapolis-St. Paul MSA; Age Distribution: 1990 and 2000 Census; 2014 and 2019 Estimated**

Table A-8 **Columbus Freeway Retail District Convenience and Destination Trade Areas and Minneapolis-St. Paul MSA; Ethnicity: 1990 and 2000 Census; 2014 and 2019 Estimated**

Table A-1

COLUMBUS FREEWAY RETAIL DISTRICT CONVENIENCE AND DESTINATION TRADE AREAS AND MINNEAPOLIS-ST. PAUL MSA: POPULATION AND HOUSEHOLDS 2000 AND 2010 CENSUS; 2014 AND 2019 ESTIMATED

Trade Area / Year	Population Number	Population Rate of Change	Households Number	Households Rate of Change
CONVENIENCE TRADE AREA				
2000	14,578	N/A	5,358	N/A
2010	18,380	2.34 %	6,975	2.67 %
2014 E	18,908	0.71	7,281	1.08
2019 E	20,081	1.21	7,801	1.39
DESTINATION TRADE AREA				
2000	56,702	N/A	19,974	N/A
2010	77,184	3.13 %	28,555	3.64 %
2014 E	78,393	0.39	29,547	0.86
2019 E	81,921	0.88	31,151	1.06
MINNEAPOLIS-ST. PAUL MSA				
2000	2,931,953	N/A	1,124,228	N/A
2010	3,223,495	0.95 %	1,252,834	1.09 %
2014 E	3,303,964	0.62	1,295,992	0.85
2019 E	3,451,342	0.88	1,358,222	0.94

N/A: Not Available.
E: Estimated.

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

Table A-2

COLUMBUS FREEWAY RETAIL DISTRICT CONVENIENCE AND DESTINATION TRADE AREAS AND MINNEAPOLIS-ST. PAUL MSA: AVERAGE AND MEDIAN HOUSEHOLD INCOMES 2000 AND 2010 CENSUS; 2014 AND 2019 ESTIMATED

Income Type / Year	Convenience Trade Area	Destination Trade Area	Minneapolis-St. Paul MSA
Average Household Income			
2000	$ 69,730	$ 68,126	$ 67,710
2010	78,486	81,092	80,066
2014 E	82,510	86,007	85,313
2019 E	87,118	91,599	91,483
Median Household Income			
2000	$ 59,915	$ 59,896	$ 53,969
2010	68,323	71,595	62,273
2014 E	72,942	77,040	66,663
2019 E	79,592	83,423	71,527

E: Estimated.

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

Table A-3

COLUMBUS FREEWAY RETAIL DISTRICT CONVENIENCE AND DESTINATION TRADE AREAS AND MINNEAPOLIS-ST. PAUL MSA
HOUSEHOLD INCOME: 2000 AND 2010 CENSUS; 2014 AND 2019 ESTIMATED

	2000		2010		2014 E		2019 E	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
CONVENIENCE TRADE AREA								
Households	5,358		6,975		7,281		7,801	
Average Size	2.72		2.63		2.59		2.57	
Household Income								
Median	$ 59,915		$ 68,323		$ 72,942		$ 79,592	
Average	$ 69,730		$ 78,486		$ 82,510		$ 87,118	
Households Above $50,000	3,202	61.4 %	4,628	68.0 %	4,978	68.4 %	5,567	71.4 %
Households Above $75,000	1,864	35.8	3,108	45.7	3,478	47.8	4,195	53.8
Income Distribution								
Less than $15,000	338	6.5 %	575	8.4 %	547	7.5 %	493	6.3 %
$15,000 - $24,999	395	7.6	445	6.5	404	5.6	381	4.9
$25,000 - $34,999	488	9.4	414	6.1	433	5.9	405	5.2
$35,000 - $49,999	790	15.2	745	10.9	916	12.6	953	12.2
$50,000 - $74,999	1,338	25.7	1,520	22.3	1,500	20.6	1,372	17.6
$75,000 - $99,999	939	18.0	1,285	18.9	1,177	16.2	1,353	17.3
$100,000 - $149,999	625	12.0	1,094	16.1	1,223	16.8	1,326	17.0
$150,000 +	300	5.8	729	10.7	1,078	14.8	1,516	19.4
DESTINATION TRADE AREA								
Households	19,974		28,555		29,547		31,151	
Average Size	2.81		2.68		2.63		2.61	
Household Income								
Median	$ 59,896		$ 71,595		$ 77,040		$ 83,423	
Average	$ 68,126		$ 81,092		$ 86,007		$ 91,599	
Households Above $50,000	13,135	65.8 %	20,074	70.3 %	21,334	72.2 %	28,903	74.6 %
Households Above $75,000	7,650	38.3	14,488	50.7	15,906	53.8	22,872	59.0
Income Distribution								
Less than $15,000	886	4.4 %	1,750	6.1 %	1,539	5.2 %	1,724	4.4 %
$15,000 - $24,999	1,281	6.4	1,766	6.2	1,613	5.5	1,739	4.5
$25,000 - $34,999	1,842	9.2	1,788	6.3	1,565	5.3	1,745	4.5
$35,000 - $49,999	2,830	14.2	3,177	11.1	3,496	11.8	4,644	12.0
$50,000 - $74,999	5,485	27.5	5,586	19.6	5,428	18.4	6,031	15.6
$75,000 - $99,999	3,749	18.8	4,984	17.5	4,459	15.1	6,206	16.0
$100,000 - $149,999	2,812	14.1	6,080	21.3	6,220	21.1	7,654	19.8
$150,000 +	1,089	5.4	3,425	12.0	5,228	17.7	9,012	23.3
MINNEAPOLIS-ST. PAUL MSA								
Households	1,124,228		1,252,834		1,295,992		1,358,222	
Average Size	2.55		2.52		2.50		2.50	
Household Income								
Median	$ 53,969		$ 62,273		$ 66,663		$ 71,527	
Average	$ 67,710		$ 80,066		$ 85,313		$ 91,483	
Households Above $50,000	612,459	54.5 %	754,067	60.2 %	809,027	62.4 %	881,483	64.9 %
Households Above $75,000	350,997	31.2	512,605	40.9	567,891	43.8	659,620	48.6
Income Distribution								
Less than $15,000	105,180	9.4 %	118,377	9.4 %	105,313	8.1 %	97,719	7.2 %
$15,000 - $24,999	104,588	9.3	106,670	8.5	91,173	7.0	76,664	5.6
$25,000 - $34,999	124,577	11.1	112,522	9.0	102,206	7.9	92,146	6.8
$35,000 - $49,999	177,425	15.8	161,198	12.9	188,273	14.5	210,210	15.5
$50,000 - $74,999	261,462	23.3	241,462	19.3	241,136	18.6	221,863	16.3
$75,000 - $99,999	162,319	14.4	182,943	14.6	171,855	13.3	197,365	14.5
$100,000 - $149,999	122,473	10.9	195,249	15.6	205,601	15.9	209,192	15.4
$150,000 +	66,205	5.9	134,413	10.7	190,435	14.7	253,063	18.6

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

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

Table A-4

COLUMBUS FREEWAY RETAIL DISTRICT CONVENIENCE AND DESTINATION TRADE AREAS AND MINNEAPOLIS-ST. PAUL MSA HOUSEHOLDS, FAMILIES AND HOUSEHOLD SIZE; 2000 AND 2010 CENSUS; 2014 AND 2019 ESTIMATED

	2000		2010		2014 E		2019 E	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
CONVENIENCE TRADE AREA								
Households	5,358		6,975		7,281		7,801	
Families	4,084		5,189		5,430		5,820	
As Percent of Households		76.2 %		74.4 %		74.6 %		74.6 %
Household Size								
1 Person	1,008	18.9 %	1,377	19.8 %	1,448	19.9 %	1,548	19.9 %
2 Persons	1,884	35.3	2,623	37.8	2,751	37.8	2,954	37.9
3-4 Persons	1,859	34.8	2,289	32.9	2,405	33.0	2,569	33.0
5+ Persons	588	11.0	659	9.5	673	9.2	723	9.3
Average Household Size	2.72		2.63		2.59		2.57	
DESTINATION TRADE AREA								
Households	19,974		28,555		29,547		31,151	
Families	15,637		21,425		22,178		23,362	
As Percent of Households		78.3 %		75.0 %		75.1 %		75.0 %
Household Size								
1 Person	3,354	16.8 %	5,578	19.5 %	5,807	19.7 %	6,125	19.7 %
2 Persons	6,770	33.9	10,290	36.0	10,679	36.1	11,237	36.1
3-4 Persons	7,413	37.1	9,714	34.0	10,090	34.1	10,637	34.1
5 + Persons	2,374	11.9	2,929	10.3	2,958	10.0	3,136	10.1
Average Household Size	2.81		2.68		2.63		2.61	
MINNEAPOLIS-ST. PAUL MSA								
Households	1,124,228		1,252,834		1,295,992		1,358,222	
Families	735,342		806,553		836,646		879,414	
As Percent of Households		65.4 %		64.4 %		64.6 %		64.7 %
Household Size								
1 Person	301,303	26.8 %	347,208	27.7 %	359,061	27.7 %	375,810	27.7 %
2 Persons	366,919	32.6	413,482	33.0	427,716	33.0	448,260	33.0
3-4 Persons	343,224	30.5	368,455	29.4	381,264	29.4	399,978	29.4
5 + Persons	112,782	10.0	123,689	9.9	127,951	9.9	134,174	9.9
Average Household Size	2.55		2.52		2.55		2.55	

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

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

Table A-5

COLUMBUS FREEWAY RETAIL DISTRICT CONVENIENCE AND DESTINATION TRADE AREAS AND MINNEAPOLIS-ST. PAUL MSA
EDUCATIONAL ATTAINMENT: 2000 AND 2010 CENSUS; 2014 AND 2019 ESTIMATED

	2000		2010		2014 E		2019 E	
Attainment	Number	Percent	Number	Percent	Number	Percent	Number	Percent
CONVENIENCE TRADE AREA								
No High School Diploma	1,040	10.6 %	821	6.5 %	919	7.0 %	1,010	7.2 %
High School Diploma	3,107	31.8	3,433	27.2	3,633	27.6	3,885	27.5
College, No Diploma	2,566	26.3	2,762	21.9	2,841	21.6	3,053	21.6
Associates Degree	721	7.4	1,638	13.0	1,700	12.9	1,804	12.8
College Graduate	1,534	15.7	2,592	20.6	2,645	20.1	2,837	20.1
Graduate/Prof. Degree	800	8.2	1,364	10.8	1,413	10.7	1,516	10.7
DESTINATION TRADE AREA								
No High School Diploma	3,641	9.9 %	2,885	5.6 %	3,081	5.8 %	3,312	5.9 %
High School Diploma	11,837	32.1	14,722	28.4	15,262	28.7	15,933	28.5
College, No Diploma	9,874	26.8	12,612	24.3	12,836	24.1	13,398	24.0
Associates Degree	3,281	8.9	6,236	12.0	6,404	12.0	6,704	12.0
College Graduate	5,874	15.9	10,842	20.9	10,976	20.6	11,559	20.7
Graduate/Prof. Degree	2,403	6.5	4,590	8.8	4,705	8.8	4,962	8.9
MINNEAPOLIS-ST. PAUL MSA								
No High School Diploma	180,818	9.6 %	155,334	7.3 %	161,292	7.3 %	169,982	7.3 %
High School Diploma	478,554	25.4	501,941	23.6	520,233	23.6	548,273	23.5
College, No Diploma	455,901	24.2	469,634	22.1	487,261	22.1	513,943	22.1
Associates Degree	142,877	7.6	197,738	9.3	205,078	9.3	216,382	9.3
College Graduate	433,044	23.0	539,388	25.4	560,978	25.4	592,654	25.4
Graduate/Prof. Degree	189,350	10.1	263,119	12.4	273,794	12.4	289,241	12.4

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

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

Table A-6

COLUMBUS FREEWAY RETAIL DISTRICT CONVENIENCE AND DESTINATION TRADE AREAS AND MINNEAPOLIS-ST. PAUL MSA
GENDER: 2000 AND 2010 CENSUS; 2014 AND 2019 ESTIMATED

	2000		2010		2014 E		2019 E	
Ethnicity	Number	Percent	Number	Percent	Number	Percent	Number	Percent
CONVENIENCE TRADE AREA								
Male	7,290	50.0 %	9,227	50.2 %	9,501	50.3 %	10,091	50.2 %
Female	7,278	50.0	9,155	49.8	9,404	49.7	9,991	49.8
DESTINATION TRADE AREA								
Male	28,664	50.6 %	38,758	50.2 %	39,382	50.2 %	41,155	50.2 %
Female	28,040	49.4	38,438	49.8	39,007	49.8	40,766	49.8
MINNEAPOLIS-ST. PAUL MSA								
Male	1,448,085	49.4 %	1,591,007	49.4 %	1,630,605	49.4 %	1,703,214	49.3 %
Female	1,483,867	50.6	1,632,488	50.6	1,673,359	50.6	1,748,128	50.7

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

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

Table A-7

COLUMBUS FREEWAY RETAIL DISTRICT CONVENIENCE AND DESTINATION TRADE AREAS AND MINNEAPOLIS-ST. PAUL MSA
AGE DISTRIBUTION: 2000 AND 2010 CENSUS; 2014 AND 2019 ESTIMATED

	2000		2010		2014 E		2019 E	
Age Distribution	Number	Percent	Number	Percent	Number	Percent	Number	Percent
CONVENIENCE TRADE AREA								
Under 5	900	6.3 %	1,184	6.5 %	1,141	6.0 %	1,191	5.9 %
5 - 9	1,073	7.5	1,387	7.6	1,305	6.9	1,155	5.8
10 - 14	1,169	8.1	1,291	7.1	1,279	6.8	1,365	6.8
15 - 19	1,204	8.4	1,213	6.6	1,294	6.8	1,301	6.5
20 - 24	705	4.9	885	4.9	1,059	5.6	1,326	6.6
25 - 34	1,508	10.5	2,118	11.6	2,063	10.9	2,019	10.1
35 - 44	2,702	18.8	2,465	13.5	2,275	12.0	2,222	11.1
45 - 54	2,476	17.2	3,101	17.0	3,025	16.0	2,733	13.6
55 - 64	1,462	10.2	2,518	13.8	2,854	15.1	3,074	15.3
65 - 74	696	4.8	1,376	7.5	1,777	9.4	2,402	12.0
75 +	502	3.5	705	3.9	829	4.4	1,289	6.4
25 - 64	8,148	56.6 %	10,202	55.9 %	10,217	54.1 %	10,048	50.0 %
65 and Over	1,198	8.3	2,081	11.4	2,606	13.8	3,691	18.4
DESTINATION TRADE AREA								
Under 5	6,420	8.0 %	6,811	7.0 %	6,568	6.6 %	6,602	6.3 %
5 - 9	6,990	8.7	7,733	8.0	7,375	7.4	6,655	6.3
10 - 14	6,988	8.7	7,885	8.1	7,683	7.7	7,538	7.2
15 - 19	6,324	7.8	6,873	7.1	7,248	7.3	7,823	7.4
20 - 24	3,771	4.7	4,744	4.9	5,454	5.5	7,378	7.0
25 - 34	11,473	14.2	12,401	12.8	12,327	12.4	11,253	10.7
35 - 44	15,079	18.7	14,627	15.1	13,731	13.8	13,358	12.7
45 - 54	11,476	14.2	15,629	16.1	15,185	15.2	14,834	14.1
55 - 64	6,147	7.6	10,823	11.1	12,271	12.3	14,030	13.3
65 - 74	3,591	4.5	5,543	5.7	7,115	7.1	9,414	8.9
75 +	2,360	2.9	4,049	4.2	4,758	4.8	6,469	6.1
25 - 64	44,175	54.8 %	53,479	55.1 %	53,514	53.7 %	53,475	50.8 %
65 and Over	5,951	7.4	9,591	9.9	11,872	11.9	15,883	15.1
MINNEAPOLIS-ST. PAUL MSA								
Under 5	210,267	7.2 %	222,672	6.9 %	218,718	6.6 %	218,142	6.3 %
5 - 9	222,552	7.6	224,001	6.9	223,554	6.8	218,671	6.3
10 - 14	223,126	7.6	221,436	6.9	222,509	6.7	225,345	6.5
15 - 19	206,310	7.0	219,002	6.8	221,640	6.7	236,408	6.8
20 - 24	189,155	6.5	209,230	6.5	208,907	6.3	222,301	6.4
25 - 34	450,929	15.4	469,611	14.6	471,284	14.3	431,713	12.5
35 - 44	520,727	17.8	446,174	13.8	438,698	13.3	459,516	13.3
45 - 54	400,157	13.6	498,893	15.5	480,588	14.5	454,638	13.2
55 - 64	223,844	7.6	364,897	11.3	409,477	12.4	460,010	13.3
65 - 74	145,676	5.0	186,220	5.8	231,501	7.0	307,114	8.9
75 +	139,211	4.7	161,359	5.0	177,088	5.4	217,484	6.3
25 - 64	1,595,657	54.4 %	1,779,575	55.2 %	1,800,047	54.5 %	1,805,877	52.3 %
65 and Over	284,887	9.7	347,579	10.8	408,589	12.4	524,598	15.2

E: Estimated.

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

Table A-8

COLUMBUS FREEWAY RETAIL DISTRICT CONVENIENCE AND DESTINATION TRADE AREAS AND MINNEAPOLIS-ST. PAUL MSA
ETHNICITY: 2000 AND 2010 CENSUS; 2014 AND 2019 ESTIMATED

	2000			2010			2014 E			2019 E		
Ethnicity	Number	Percent		Number	Percent		Number	Percent		Number	Percent	
CONVENIENCE TRADE AREA												
Caucasian	14,192	97.6	%	17,416	94.9	%	17,932	94.9	%	19,050	94.9	%
African-American	35	0.2		159	0.9		157	0.8		170	0.8	
Native American	42	0.3		63	0.3		64	0.3		72	0.4	
Asian/Pacific Islander	98	0.7		365	2.0		379	2.0		393	2.0	
Other	174	1.2		357	1.9		373	2.0		397	2.0	
Hispanic (any race)	114	0.8	%	341	1.9	%	390	2.1	%	454	2.3	%
DESTINATION TRADE AREA												
Caucasian	55,239	97.6	%	73,305	95.1	%	74,494	95.0	%	77,869	95.1	%
African-American	153	0.3		471	0.6		480	0.6		505	0.6	
Native American	189	0.3		270	0.4		277	0.4		299	0.4	
Asian/Pacific Islander	353	0.6		1,572	2.0		1,601	2.0		1,650	2.0	
Other	640	1.1		1,504	2.0		1,536	2.0		1,597	1.9	
Hispanic (any race)	552	1.0	%	1,367	1.8	%	1,536	2.0	%	1,790	2.2	%
MINNEAPOLIS-ST. PAUL MSA												
Caucasian	2,519,095	85.9	%	2,600,676	80.7	%	2,670,355	80.8	%	2,798,775	81.1	%
African-American	157,812	5.4		242,869	7.5		246,438	7.5		252,595	7.3	
Native American	22,478	0.8		23,944	0.7		24,639	0.7		25,817	0.7	
Asian/Pacific Islander	123,642	4.2		188,513	5.8		191,480	5.8		196,839	5.7	
Other	108,926	3.7		167,493	5.2		171,052	5.2		177,316	5.1	
Hispanic (any race)	100,382	3.4	%	176,887	5.5	%	190,899	5.8	%	213,044	6.2	%

E: Estimated.

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