RETAIL AND RESIDENTIAL MARKET DEMAND

Prepared for

City of St. Joseph

July 2007

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Prepared by

McComb Group, Ltd.

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FINDINGS AND RECOMMENDATIONS

Future for retail and residential development in St. Joseph are inter-related. Increasing the amount of housing – single family and multi-family – will create additional market support for retail stores and services, including a supermarket.

The area defined as Downtown is a mix of older commercial structures, houses converted to business use, and single family homes, some of which are rented as student housing.

For Downtown to grow and expand, it should become a commercial area that could include retail, office and residential mixed-use. Existing single family housing should be removed in an orderly fashion to create development sites. This needs to be planned in an orderly manner.

According to city and college records, there are numerous single family homes in the central business district that are utilized for student housing. Constructing alternative student housing in the central area would free up these sites for redevelopment as commercial sites, increasing the supply of developable land.

The southern portion of the central business district could be redeveloped as a community/college retail area containing retail and service establishments that serve both college students, staff, trade area residents, and visitors.

St. Joseph and Saint Benedict's should consider the possibility of developing a mixed-use building in the central business district that would have retail space on the first floor, and student housing on the second and third floors. This would provide relocation space for student rental housing now currently located in single family homes in the central business district. It would also provide additional modern retail space in the Downtown area.

Downtown and its physical characteristics are accurately described in the St. Joseph business survey. To attract new business, St. Joseph should build on the positive attributes and eliminate the negative characteristics cited by business survey respondents.

Business owners in Downtown should evaluate how the exterior and interior of their business look compared to their competitors in St. Cloud and Waite Park.

To attract new investment, sites need to be available. This means that buildings will have to be torn down to assemble development sites.

To attract new investment to Downtown St. Joseph, it must be viewed as an attract location to construct a new building and to locate a new business.

To grow and expand, Downtown businesses need to be something to someone. In other words, they need to become a top of the mind location to shop and dine, a place where customers can have a pleasant experience while they spend money. St. Joseph needs to become a destination where consumers choose to return on a frequent basis.

Young adults are a logical market segment. St. Joseph has a base of 4,100 college students. The trade area has an estimated 12,300 adults age 18 to 30 and the St. Cloud MSA has 40,000 in that age group.

College of Saint Benedict and Saint John's University represent untapped resources for businesses in St. Joseph. The two colleges have over 4,000 students, 900 faculty and staff, and attract over 137,000 visitors to St. Joseph on an annual basis.

Expand the retail offerings in the central business district for St. Joseph to attract a broader segment of young adults that enjoy the same types of interests and activities as college students and other St. Joseph youth. Student survey respondents offered a wide range of activities/interests that can be utilized to attract young adults to St. Joseph.

The student survey contains a wealth of information on student food preferences, retail needs, and activities and interests. Please refer to Survey Tables 2, 8, 12, 16 and 17.

The student survey also provided information on the frequency of various types of activities. Please refer to Survey Tables 4, 5, 7, 9, 10 and 21.

The student survey information should be reviewed by local businesses that would like to increase their sales to students and other young adults to identify menu items, merchandise, and activities they can offer to young adults. The survey information should be made available to businesses that are considering St. Joseph for a store or service.

Retail, food service and service space demand is contained in Table 7-7. Many of these categories appeal to both trade area residents and students.

With trade area annual household growth of 3.4 percent and inflation of 2.0 to 2.5 percent, any business with sales gains of less than five percent is losing market share.

Some St. Joseph businesses are experiencing sluggish or declining sales because their customers are shopping with them less often or spending fewer dollars. This is an indication that they are not keeping up with their competition. Businesses in this situation need to evaluate their business operations, merchandising, and store environment compared to their competitors. Their customers are making these comparisons on each store visit and voting with their dollars.

St. Joseph is not capitalizing on its current retail potential for several reasons. There is a lack of attractive, readily available sites for retail and service development that meet most retailers' needs for access, visibility, and site size. The central business district area has few, if any, developable sites readily available for a new business. Many of the sites on Highway 75 have poor access.

Land planning activities should be conducted for both the central business district and the Highway 75 retail area to provide development sites that are consistent with retailers needs for adequate visibility, access, and appropriate site sizes. A competent land planning firm with retail experience should be engaged for this work.

St. Joseph should establish a program to provide financial assistance to building owners and businesses to improve exterior and interior store appearance.

The City of St. Joseph, Chamber of Commerce, and Saint Benedict's should form a task force to identify business opportunities resulting from the colleges' educational and cultural activities. The colleges' proximity to the central business district provides an opportunity to stimulate redevelopment of St. Joseph's central area.

The City and Chamber of Commerce should establish a business recruitment program to attract retail and service establishments that could serve trade area residents and students.

St. Joseph should engage in business development specialists familiar with the retail industry to contact businesses and acquaint them with the opportunities that exist in St. Joseph.

St. Joseph should seek to encourage additional multi-family and single family housing. Low vacancy rates in existing apartment buildings in St. Joseph, Waite Park, and Sartell, and the area's growing population indicate future demand for apartment buildings throughout the metro area. St. Joseph should seek to increase its share of multi-family housing from seven percent to ten percent of the area's multi-family housing.

St. Joseph community leaders meet with local real estate brokers to identify why Sartell is attracting housing development. The school system may not be the only reason. This may enable St. Joseph to identify ways to compete with Sartell for residential development.

St. Joseph needs to identify its strengths and then use these strengths to market the city to residential developers and homebuyers.

Student housing properties of six units or more in St. Joseph report 100 percent occupancy. Rental rates in these buildings for student housing are generally higher than rental rates for similar housing in St. Cloud indicating market strength. St. Joseph and Saint Benedict's should consider programs to upgrade the quality of student housing in the central business district.

St. Joseph, based on its proximity to College of Saint Benedict and Saint John's University, should encourage active adult senior housing. This would enable retirees to benefit from the rich educational and cultural experience at these two institutions. The shuttle makes travel to Saint John's University convenient.

Multi-family housing for older adults (empty-nesters) could be considered for other portions of St. Joseph's central area. This housing should not be adjacent to the retail/student housing area, but could be within walking distance.

INTRODUCTION

McComb Group, Ltd. was engaged by the City of St. Joseph to conduct a real estate market research analysis for St. Joseph, Minnesota. Work tasks conducted during this engagement are summarized below.

- Business establishments in each business district were identified and categorized by type. Each business district was evaluated for its suitability for retail, office or industrial development. Downtown's suitability for residential development was evaluated. Factors that were considered include, but were not limited to: location, visibility, access, retail store mix, traffic counts, and surrounding uses.

- Business and community leaders were interviewed to obtain their input on strengths and weaknesses, and identify what they think should be done to improve business in St. Joseph.

- Shopping areas competitive with St. Joseph were identified to determine competitive impacts on present and future St. Joseph retail development. Principal competitors were identified. Future developments anticipated in the area were identified, to the extent possible, to determine possible competitive impacts.

- A survey of College of Saint Benedict and Saint John's University students was conducted to determine their shopping habits (including retail expenditures) and preferences.

- A survey of College of Saint Benedict and Saint John's University staff was conducted to determine their shopping habits and preferences.

- The St. Joseph trade areas were delineated based on arterial road patterns, competitive shopping areas, and McComb Group experience. The current trade area and the trade area when a supermarket is opened were delineated. 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: population, households, building permits, and household income. Past growth trends in the St. Joseph area were evaluated to determine trade area share of St. Cloud area residential growth. This analysis was used to prepare market driven estimates of future residential growth potential for target years of 2010 and 2015. Retail and service purchasing power of trade area households was estimated.

- Future retail and service potential for target years of 2006, 2010 and 2016 for business districts were estimated by business type based on purchasing power and converted to square feet of space by type of business establishment. Those business categories with sufficient sales potential for profitable operation in St. Joseph business districts were identified. Future retail development potential for St. Joseph business districts was estimated taking into consideration competitive impacts, trade area demographics, and trade area purchasing power and estimated market share. Estimates of retail, food service, services and office service space supported by sales potential were prepared for target years of 2006, 2010 and 2016.

- ♦ The market area for multi-family housing in Downtown was identified. The market area was determined based on community size, geography, lifestyle patterns, and competitive developments. Demographic characteristics and trends in the market area were analyzed to determine housing demand including population and household growth, age, and household income. Demographic characteristics related to the market rate and senior market were profiled including household tenure, income levels, household type, age and family size. Income levels and distribution were analyzed to determine their impact on the proposed unit pricing. Based on this analysis, market potential for Downtown housing development was determined.

- ♦ Competitive for-rent and for-sale multi-family housing options in the market area were identified. Amenities, costs, unit features, services, location, and competitive position of each development were identified and analyzed. Future competition represented by planned or proposed buildings in the market area was identified.

- ♦ Realtors were interviewed regarding their perceptions of the strengths of various markets, product acceptance and demand. These interviews allowed us to access the community's perception, attitudes and needs for the proposed development.

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 February 20, 2007. This report was prepared with the understanding that the results of our work will be used by the City of St. Joseph to evaluate retail, residential and industrial development potential. 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

ST. JOSEPH RETAIL AREAS

St. Joseph is a growing community located approximately seven miles west of St. Cloud. The city is experiencing residential development and increased interest in additional commercial development. Past retail development has been occurring on TH-75, north and east of St. Joseph's central business district, the community's original retail and service area. Recently, new shopping areas have begun to emerge as the number of available sites in the downtown area has dwindled and residential growth has generated opportunity areas for new development.

Retail Study Areas

Two retail areas, shown on Map 1, are the study areas for this report. These retail areas offer a variety of goods and services, as shown in Table 1-1. This inventory is based on an inventory conducted in April 2007 and represents establishments that appeared to be located in the study areas.

Table 1-1

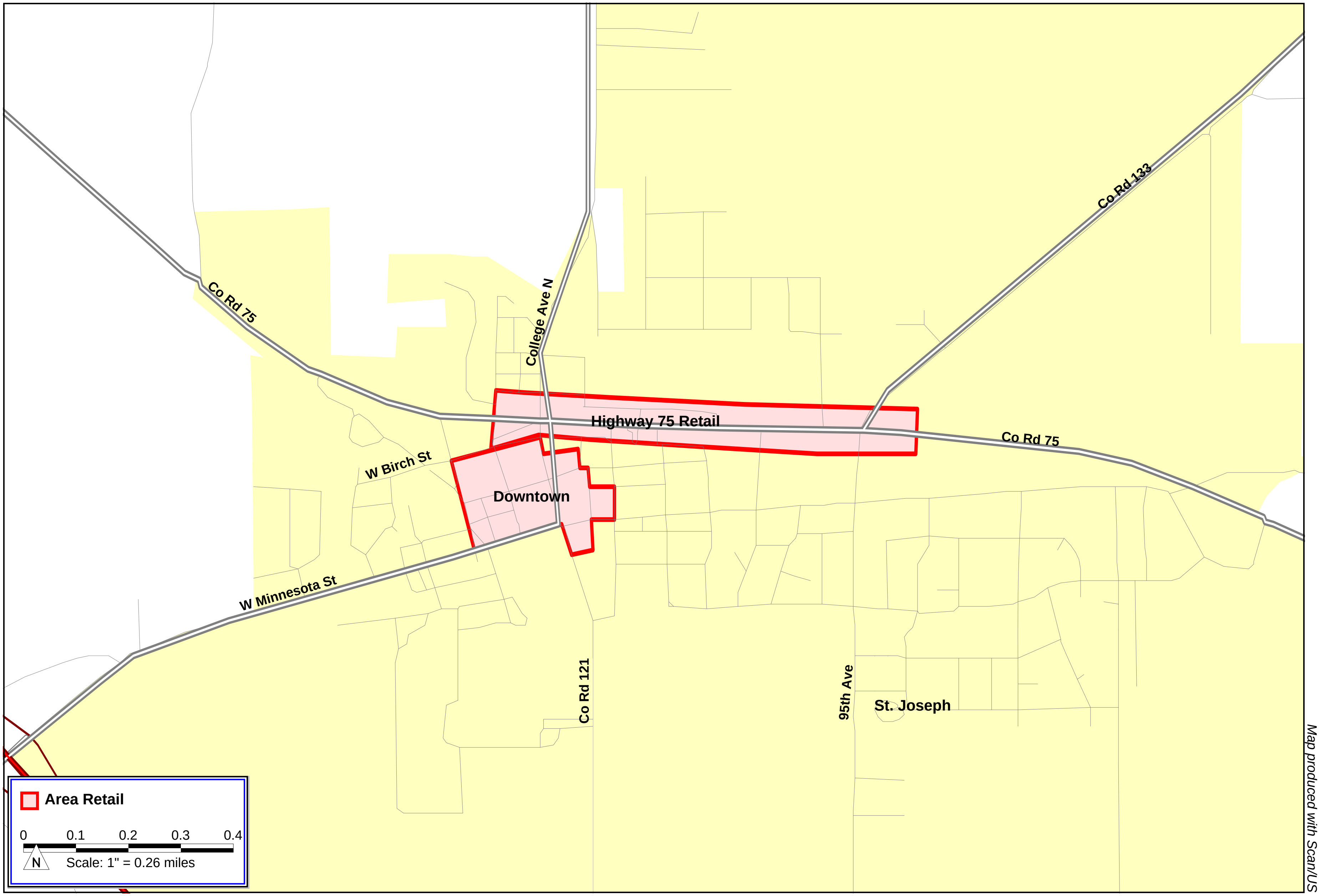
ST. JOSEPH AREA BUSINESS ESTABLISHMENTS

Establishment Type	CBD	Highway 75	Total
CONVENIENCE RETAIL			
Food	2		2
Drug Store	1		1
Liquor		2	2
Hardware		1	1
Floral		2	2
Video		1	1
FOOD SERVICE			
Full Service	2	2	4
Limited Service	2	2	4
Drinking Establishments	3		3
CONVENIENCE/GASOLINE			
Convenience/Gasoline		3	3
SHOPPING GOODS			
Apparel/Accessories	1		1
AUTOMOTIVE			
Auto/RV Sales		2	2
Subtotal - Retail	11	15	26
SERVICES			
Auto Services	2	3	5
Personal Care	6	3	9
Personal Services		3	3
Laundry/Dry Cleaning	1		1
Financial	3	5	8
Real Estate	1		1
Insurance	2	1	3
Medical	2	2	4
Dental	1		1
Entertainment/Recreation	1	2	3
Professional Services		1	1
Other Services		1	1
Fraternal	1		1
Government Office	3		3
Other Office	2	2	4
Subtotal - Services	25	23	48
TOTAL	36	38	74
Vacant	1	1	2

Source: McComb Group, Ltd.

Map 1-1

ST. JOSEPH RETAIL AREAS



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- **Central Business District** is the area generally located north of Minnesota Street and south of Birch Street West between Second Avenue Northwest and First Avenue Southeast. This area serves as a community shopping area with a limited selection of retail stores, food services, and personal services. Food services and other stores in the vicinity of Minnesota Street and College Avenue service students. Three convenience retail stores in downtown include a small supermarket, meat store and a pharmacy. Food service is represented by seven establishments: two full service restaurants, two limited service food establishments and three drinking establishments. One store sells a limited selection of women's apparel. Service establishments include six personal care services, three financial services and a variety of professional and other services. Essential government offices are also located within the downtown area.

- **Highway 75** is a retail area located along TH-75 north of downtown St. Joseph. The area extends east from Second Avenue Northwest to County Road 133 (12th Avenue Southeast) and presently has 38 retail and service establishments. The 15 retail stores include four food service establishments, three convenience stores with gasoline, two liquor stores, two floral shops, two auto sales establishments, a hardware store and a video store. Service offerings along TH-75 include five financial services, three auto services, three personal care services, three personal services and a variety of professional and other services. This shopping area serves the convenience needs of both local residents and TH-75 traffic.

Business establishments in St. Joseph are heavily concentrated in food service, convenience goods stores, and services that provide local residents with limited choices.

College Community

The College of Saint Benedict in St. Joseph, and Saint John's University in Collegeville, are nationally recognized liberal arts colleges with a combined student enrollment of over 4,100 students and 940 employees. Although these colleges reside on two separate campuses, they share academic programs and students travel between campuses on a daily basis. These students have retail and service needs that are not being met by local businesses.

These two colleges attract an estimated 137,000 visitors to their two campuses annually, as shown in Table 1-2. Prospective student parties are conservatively estimated at 4,900.

Table 1-2

ESTIMATED ANNUAL VISITORS TO
COLLEGE OF SAINT BENEDICT
AND SAINT JOHN'S UNIVERSITY

Purpose	Visitors
Prospective Student Parties	4,900
Other Campus Visitors	62,000
Cultural Events	69,600
Summer Sports Camps	550
Total	137,050

Source: College of Saint Benedict and Saint John's University.

These are important visitors because about 2,450 of these visitors are making a decision about where they will live for at least nine months of the next four years. When they move to St. Joseph or Collegeville, they will bring spending potential for goods and services. These visitors represent potential for convenience purchases, food service expenditures and lodging.

Saint Benedict's, with well-educated faculty and staff, is the equivalent to having a large high-tech or bioscience facility in St. Joseph. Saint John's University is the equivalent to a similar facility six miles away. These types of businesses, however, would not attract the number of visitors that these two colleges generate.

Accessibility

St. Joseph is served by two highway corridors that are primary routes to and from I-94, and St. Cloud and west metro area communities. TH-75 is a four-lane highway that runs east-west through St. Joseph. It is located about two blocks north of Minnesota Street and provides access to I-94 to the west, and Waite Park and St. Cloud to the east. County Road 2 intersects with I-94 and provides access to communities to the southwest.

Traffic Counts

Average daily traffic counts have increased on major roadways serving St. Joseph. Traffic counts are highest on TH-75 east of College Avenue with 21,374 average daily trips in 2000 and 22,770 average daily trips in 2005, an increase of 1.3 percent annually. These traffic counts are similar to Division Street in Waite Park. The largest increase in traffic counts for the St. Joseph area was on County Road 133 with a 22.9 percent annual increase from 2000 to 2005. This county road connects Sartell to TH-75 and provides convenient access to and from Sartell.

Table 1-3

ST. JOSEPH
AVERAGE ANNUAL DAILY TRAFFIC COUNTS; 2000 TO 2005

	2000	2005	2000-05 Change
TH-75			
East of College Avenue	21,374	22,770	1.3 %
East of I-94	12,257	12,448	0.3
County Road 2			
East of I-94	7,395	8,906	3.8 %
West of I-94	3,090	4,301	6.8
County Road 133	1,714	4,807	22.9 %

Source: Stearns County and Minnesota Department of Transportation.

Current Development

Collegeville Development Group, LLC recently broke ground for Millstream Lofts & Shops, a mixed-use development located on the northeast quadrant of College Avenue and Minnesota Street in downtown St. Joseph. The residential component of this development is located on the second floor, above the commercial space. The building contains 14 residential units and 9 retail spaces. Completion of this development is planned for fall of 2007.

Future Development

St. Joseph has four other areas for potential retail development, as shown on Map 1-2. Other potential sites or developments include:

- Coborn's has purchased a site in the northeast quadrant of County Road 133 and TH-75. This site has excellent visibility and access.
- Proposed strip center with 10,000 square feet of space at Eighth Avenue and TH-75 on the southeast quadrant. This development is in the conceptual stages.
- I-94 and County Road 2 is owned by a developer and is awaiting completion of a corridor study. A concept plan has been approved for mixed commercial and residential developed.
- Commercial land is offered for sale at 20th Avenue SE and TH-75.

Summary

The central business district contains a mix of commercial, residential and government land uses with little rhyme or reason other than in the Minnesota Street area. If a business wanted to locate downtown, there are no recognizable available development sites. The college students and faculty represent a significant market for existing and future businesses along Minnesota Street and the southern central business district. The southern central business district area will likely remain a convenience-oriented retail area for students and faculty. It should broaden its food service and retail offerings to serve a broader segment of young adults from the St. Joseph trade area. The northern portion of the central business district is suitable for retail and service establishments that do not or cannot find acceptable sites along TH-75.

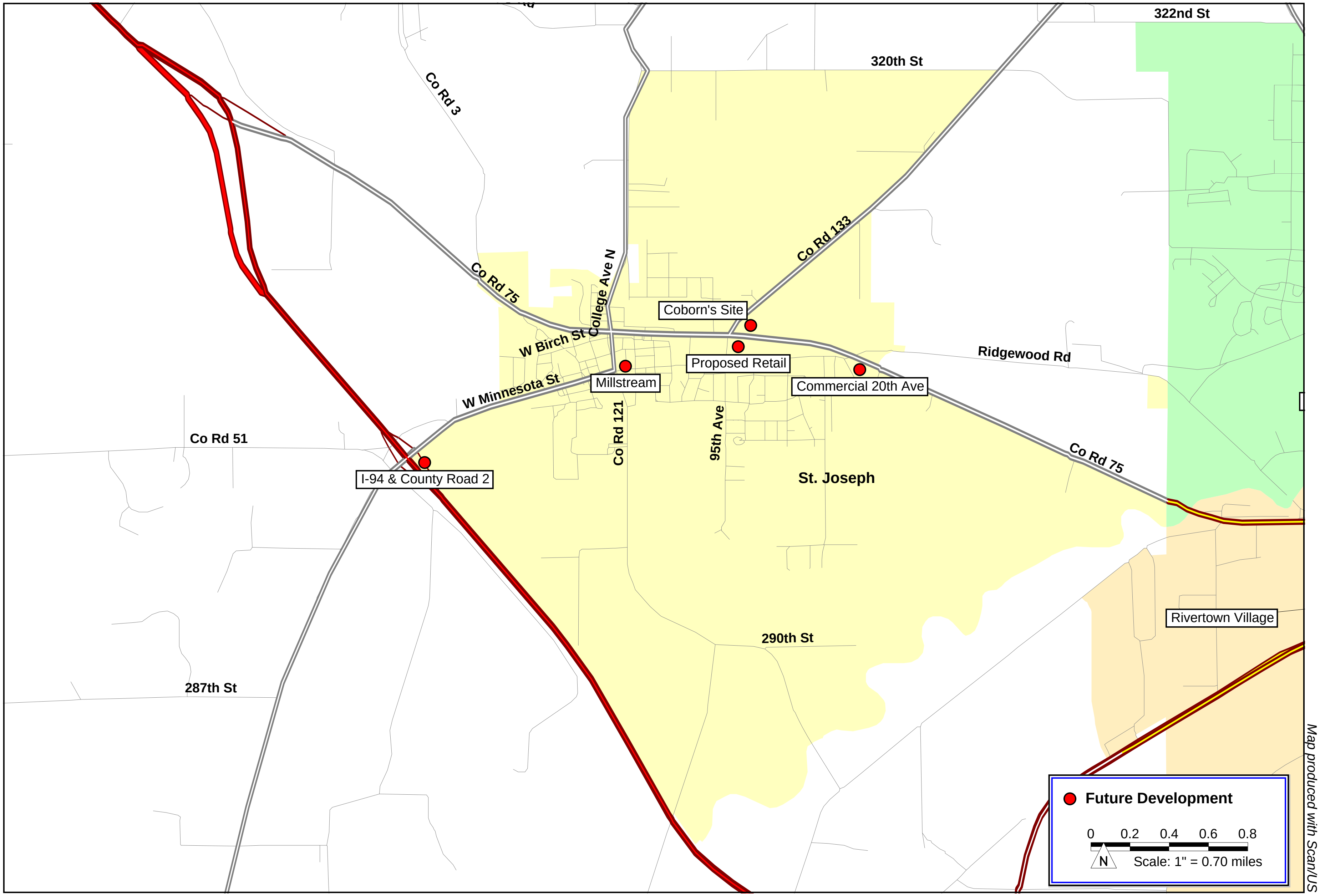
Commercial development along TH-75 is occurring in a haphazard manner. Newer commercial buildings have good visibility, but convoluted access. The Highway 75 retail area will appeal to large retail uses and other businesses that benefit from the highways regional traffic.

Both of St. Joseph's retail areas would benefit from land planning that would focus on creating convenient access and tie these evolving commercial areas together in a coordinated manner.

Construction of a supermarket on Coborn's site is the most important retail development that is on the horizon. It is extremely important that St. Joseph initiate the planning activities that will permit other businesses in St. Joseph to benefit from this investment when it occurs.

Map 1-2

ST. JOSEPH RETAIL DEVELOPMENT SITES



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Chapter II

COMPETITIVE SHOPPING AREAS

St. Joseph businesses compete with nearby communities and major shopping destinations outside the trade area. These shopping areas provide various levels of convenience and shopping opportunities to area consumers. Competitive shopping areas are shown on Map 2-1. Competitive shopping areas include: Downtown Sartell to the northeast; Cold Spring, Richmond and Rockville to the south; and Albany and Avon to the west. St. Cloud offers the closest regional shopping destination.

Regional Shopping Influence

The nearest regional shopping area is the West Division/Second Street area in St. Cloud, located approximately five miles east of St. Joseph. St. Cloud is a convenient shopping alternative for St. Joseph residents. The West Division Street area is St. Cloud's only regional shopping area. The area extends along West Division Street and Second Street South in the western portion of St. Cloud and into Waite Park. This shopping area contains the largest selection of shopping and convenience goods and other stores in the St. Cloud area. Major shopping centers in this area include:

- **Crossroads Center** is the area's only regional mall. Located on Division Street and TH-15, the center has over 900,000 square feet of gross leasable area. It includes Macy's, Target, J.C. Penney, Sears, and Scheel's All Sports. It has over 100 other retail and service establishments.

- **Rivertown Village** (formally Rainbow Village Center) was built in 1999. With over 150,000 square feet, this community center includes Barnes & Nobles Booksellers, Old Navy, Bed Bath & Beyond, Party America, Office Depot, as well as a number of other retail stores and restaurants, such as Chipotle Grill, LeeAnn Chin, and Cold Stone Creamery.

- **Midtown Square Shopping Center** is located along Division Street and offers over 225,000 square feet of retail stores including Pier 1 Imports and Austad's Golf.

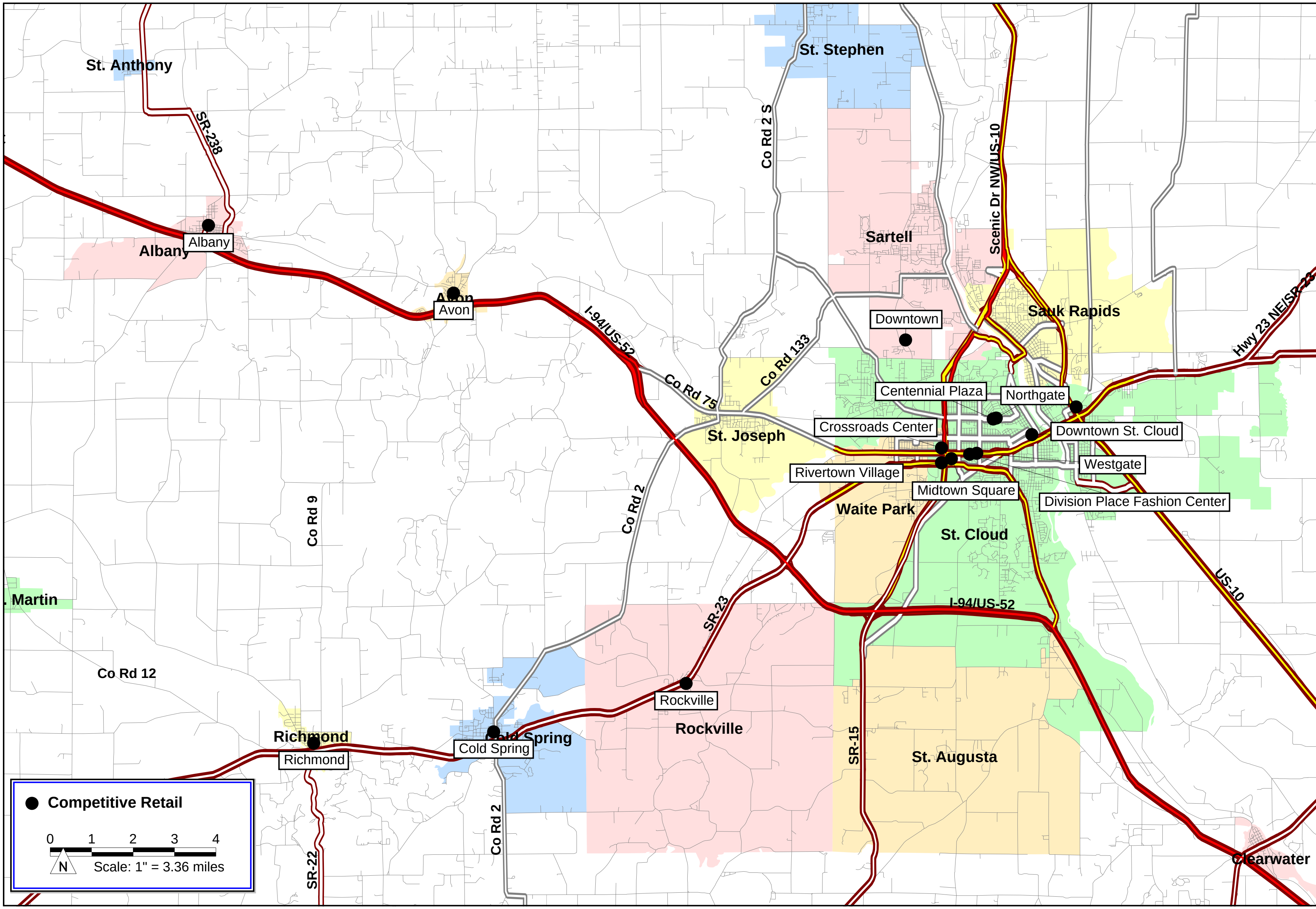
- **Westgate Center**, also on Division Street, is an 110,000 square foot shopping center that includes a Byerly's supermarket, Office Max and Media Play. Walgreens Drug Store and a Ground Round Restaurant are across Division Street from Westgate Center.

- **Division Place Fashion Center** tenants include TJ Maxx, Fashion Bug, Famous Footwear, Schmitt Music, Kids Closet, Baker's Shoes, GNC, Great Clips, Bursch Travel, and more. Baker's Square and Red Lobster are located on pads along Division Street.

The West Division Street area includes a large number of other major stores as well, including Wal-Mart, Sam's Club, Kohl's, ShopKo, Big Kmart, Cub Foods, Cash Wise Supermarket, Circuit City, Best Buy, Menards, Gander Mountain, Toys R Us, Home Depot, PetSmart,

Map 2-1

COMPETITIVE RETAIL AREAS



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Northern Tool & Equipment, Sportsman's Warehouse, and Michael's Crafts. Restaurants include Olive Garden, Applebee's, Timberlodge Steakhouse, Outback Steakhouse, Granite City Brewery, TGI Fridays and more.

West Division Street area's appeal is diminished by heavy traffic congestion that makes shopping less convenient. As St. Joseph grows and enhances its retail and service offerings, it may serve as a less congested, more convenient alternative for many shoppers.

Other Competitive St. Cloud Retail Areas

The St. Cloud area has a number of other retail areas that offer a variety of goods and services and that are competitive with St. Joseph merchants. Characteristics of these shopping areas are shown below:

- **Downtown St. Cloud** is anchored by Herberger's and is primarily a shopping goods area featuring a variety of smaller specialty stores and a wide range of food service establishments. Given its relative proximity to St. Cloud State University, this area also caters to college students. The area has a small number of convenience goods stores including a pharmacy, liquor store, and Coborn's supermarket that includes pharmacy and liquor as well.

  Downtown St. Cloud features the only Herberger's in the area along with a number of smaller specialty stores and a variety of restaurants that are not readily available in Sartell or other areas. This gives Downtown St. Cloud a special appeal to some shoppers.

- **Centennial Plaza**, located northwest of Downtown St. Cloud at Eighth Street North and 22nd Avenue North, is a 170,000 square foot neighborhood center anchored by Coborn's supermarket and Denny & Kathy's Ace Hardware, with a number of other convenience goods and services stores, including Centennial Liquor. Centennial Plaza has seven retail stores and five services.

- **Northgate Shopping Center** is a small convenience center located near Centennial Plaza with 15 small retail and service stores located at 25th Avenue North just south of Eighth Street North. There are also seven other retail or service businesses in the area of Northgate Shopping Center.

These other shopping areas are less competitive with St. Joseph, but the young adult-oriented food services in St. Cloud attract students from the College of Saint Benedict and Saint John's University.

Competitive Communities Outside of St. Cloud

Smaller communities outside of St. Cloud, summarized in Table 2-1, are also competitive with St. Joseph. These competitive shopping areas are described below:

- **Downtown Sartell** is an emerging retail area along Pinecone Road approximately six miles northeast of St. Joseph. This area has been planned for major retail development and currently has 9 retail stores and 18 service establishments, anchored by a 60,000 square foot Coborn's Superstore. This area currently serves as a convenience goods shopping area for the growing residential areas in and around Sartell. The Coborn's Superstore serves customers from St. Joseph's trade area.

- **Cold Spring** is located ten miles southwest of St. Joseph. This small, service-oriented community has 32 retail stores and 58 service establishments. The largest concentration of establishments is in the full service food category (7 restaurants) and financial services category with 10 establishments. Convenience retail is represented by eight stores including Cold Spring SuperValu, Snyder's and Do It Best Hardware. Cold Springs' 90 retail stores and services make it the largest commercial area outside the St. Cloud area.

- **Richmond** is located on Highway 23 and State Highway 22, 13 miles southwest of St. Joseph. This community has 33 retail stores and 25 service establishments. Five convenience goods stores include Food Pride grocery store and Do It Best Hardware.

- **Rockville** is a small community seven miles south of St. Joseph with 18 convenience driven business establishments including nine service and nine retail merchants. Rockville's limited convenience goods indicate that residents would need to leave Rockville to purchase day-to-day items including groceries and for medical/dental services.

- **Albany** is located on I-94, about 14 miles west of St. Joseph. This community has 31 retail stores and 39 service establishments to serve its residents and interstate travelers. Seven convenience goods stores include Amby's Foods and True Value Hardware. Interstate travelers benefit from Albany's five convenience/gasoline establishments and food services.

- **Avon** is a small community about eight miles west of St. Joseph. It has 26 retail stores and 23 service establishments, primarily to meet the convenience retail and service needs of area residents, as well as travelers on I-94. Food service is the largest category with 11 establishments. Convenience retail includes Dahlins Supermarket and Avon's True Value Hardware.

St. Joseph retailers compete with retail stores and services in all of these communities. With fewer retail stores and services, St. Joseph has less of a competitive impact on these communities. This will change when a Coborn's store opens. Coborn's store would be larger than the competitive supermarkets in these towns and would attract grocery shoppers to St. Joseph.

St. Joseph retailers are competitive with stores in St. Cloud as well as the surrounding communities. St. Cloud, however, presents the strongest competition due to its size, number and wide variety of stores.

Table 2-1

ST. JOSEPH COMPETITIVE RETAIL AREAS

Establishment Type	Downtown Sartell	Cold Spring	Richmond	Rockville	Albany	Avon
CONVENIENCE RETAIL						
Food	1	2	2		2	3
Drug Store		1			1	
Liquor		2	1	1	2	1
Hardware		1	1		1	
Floral		1	1		1	
Video		1				1
FOOD SERVICE						
Full Service	3	7	3	2	4	6
Limited Service	2	3	1		3	3
Drinking Establishments		1	2	2	4	2
CONVENIENCE/GASOLINE						
Convenience/Gasoline	1	3		1	5	2
SHOPPING GOODS						
General Merchandise			2		1	
Variety		1				
Apparel/Accessories			1			
Furniture & Home Furnishings	1		3		1	1
Electronics	1	1	1		1	
Other Shopping Goods		3	3	1	2	2
Pre-Owned Merchandise		1	3		1	
HOME IMPROVEMENT						
Home Improvement		1				1
Lawn & Garden			1			1
AUTOMOTIVE						
Auto/RV Sales		1	4	2	1	1
Auto Parts		1	1		1	1
Other Equipment Sales/Marine		1	3			1
Subtotal - Retail	9	32	33	9	31	26
SERVICES						
Auto Services		5	3		6	3
Personal Care	3	4	5	1	4	2
Personal Services	2	3		2	2	2
Business Services			1	1	2	
Laundry/Dry Cleaning		1				1
Financial	4	10	1	1	4	2
Real Estate	1	4	3		1	1
Insurance		8	2		4	2
Medical	6	6	2		3	2
Dental		3			2	1
Entertainment/Recreation	2	5	2		2	1
Professional Services		1	1		1	1
Lodging		1			1	
Other Services		5	4	2	4	4
Fraternal		1			1	
Government Office		1	1	2	2	1
Other Office						
Vacant						
Subtotal - Services	18	58	25	9	39	23
TOTAL	27	90	58	18	70	49

Source: McComb Group, Ltd.

Chapter III

COLLEGE OF SAINT BENEDICT AND SAINT JOHN'S UNIVERSITY STUDENT SURVEY

Students from College of Saint Benedict (CSB) and Saint John's University (SJU) were asked to complete a survey to determine lifestyle characteristics and preferences that relate to dining, entertainment, shopping and other activities, and expenditures for entertainment and clothing. The purpose of this survey was to provide information that could be used by St. Joseph businesses and community leaders to increase student expenditures in St. Joseph. The results of this survey can be used by individual businesses to identify merchandise, food concepts, services, and entertainment options that appeal to young adults. These survey results are most useful to those individuals and groups that would like to increase student patronage and/or activities in St. Joseph. It is strongly suggested that these individuals and groups review the survey results contained in a separate report. These will enable each reader to determine what he or she seems to be applicable to their business or the community. Not everything indicated by the survey respondents is possible, but many are. It is up to individual businesses and St. Joseph community leaders to determine what is possible. Some, but not all, survey findings are summarized below.

- ♦ Favorite "eat out" foods of students interviewed were: Italian (70.1%), Chinese (66.1%), Pizza (58.7%) and Mexican (54.7%).
- ♦ In general, 35 percent of survey respondents eat out off campus 2 to 3 times a month.
- ♦ SJU students (27.7 percent) are more likely to eat off campus 1 to 2 times a week than CSB students (19.3 percent).
- ♦ Over one-quarter of SJU respondents say they eat at fast food/pizza places one or more times per week compared to 6.7 percent of CSB respondents.
- ♦ Over half of SJU respondents <u>never</u> visit Brother Willie's Pub. Some of these respondents may not be of legal drinking age. However, 60.5 percent of SJU respondents visit O'Connell's once a month or more.
- ♦ Of CSB respondents, 70.4 percent <u>never</u> visit Brother Willie's Pub. Some of these respondents may not be of legal drinking age. However, 84.4 percent of CSB respondents visit O'Connell's once a month or more.
- ♦ Thirty-five percent of SJU respondents say they go to a movie off campus once a month or more compared to 23.0 percent of CSB respondents.
- ♦ Over one-third of SJU respondents say they never go to a movie on campus; while 30 percent of CSB respondents say they never go to a movie on campus.
- ♦ Forty-five percent of the CSB respondents tend to "go out" for entertainment once a week or more compared to 53 percent of the SJU respondents.
- ♦ Over 16 percent of SJU respondents say they never go out for entertainment; while only 1.5 percent of CSB respondents say they never go out for entertainment.

- Respondents were more likely to engage in "going out with a group of friends" one or more times per week. Over 71 percent of SJU respondents say they "go out with a group of friends" once a week or more, compared to 59.3 percent of CSB respondents.
- Drinking/entertainment is also a popular activity for respondents with a quarter of the total respondents saying they partake in this activity 2 to 3 times a month.
- Over three-quarters (77 percent) of CSB respondents and 81.5 percent of SJU respondents indicate they cannot find enough fun things to do in St. Joseph.
- Respondents from both colleges would be willing to buy casual clothing if it was available in St. Joseph.
- CSB respondents were most interested in seeing groceries (83.7 percent), drug store items (61.5 percent), and shoes (57.0 percent) available in St. Joseph.
- SJU respondents would like to see groceries (64.7 percent), sporting goods (58.8 percent), beer/wine (47.9 percent), and shoes (47.9 percent) available in St. Joseph.
- Seventy percent of CSB respondents go shopping in St. Cloud once a month or more. Over 22 percent travel to the Twin Cities once a month or more to shop.
- Almost 60 percent of SJU respondents travel to St. Cloud to shop once a month or more, while 23.5 percent of SJU respondents go to the Twin Cities to shop once a month or more.
- Fifty-five percent of all respondents have a car at school, making them very mobile. They can go anywhere they want to.
- CSB respondents enjoy the following activities most: attending movies at theatres (81.5 percent), listening to music (76.3 percent), dining at restaurants (76.3 percent), and attending concerts, dance, theatre or art shows (73.3 percent).
- SJU respondents enjoy the following activities the most: listening to music (74.8 percent), attending movies at theatres (65.5 percent), attending sporting events (63.9 percent), dining at restaurants (59.7 percent), and attending concerts, dance, theatre or art shows (59.7 percent).
- Over half of the CSB respondents have attended that college for two years or more. Over 60 percent of SJU respondents have attended that college for two years or more. These respondents have been in the area long enough to establish shopping patterns and some knowledge of the market.
- Over 80 percent of all respondents live on campus.
- Almost eighty percent of CSB respondents are employed compared to 60.5 percent of SJU respondents.
- Half of CSB respondents work on campus compared to 46.2 percent of SJU respondents.
- Almost six percent of CSB respondents work both on and off campus; while 3.4 percent of SJU respondents work both on and off campus.

Summary comments of survey responses do not reflect the full value of the survey responses. It is recommended that responses to individual questions be reviewed for a fuller understanding of the information.

Chapter IV

COLLEGE OF SAINT BENEDICT AND SAINT JOHN'S UNIVERSITY STAFF SURVEY

Electronic surveys were conducted with the staff of CSB and SJU via the college system intranet. Survey respondents were asked about their dining and drinking, entertainment and shopping preferences and habits, and activities and interests.

Questions in this survey are generally similar to those in the student survey. Some questions are different due to the differences between the two groups. Twenty-three of these respondents lived in St. Joseph. Some, but not all of the survey findings are summarized below.

- Mexican cuisine is the preferred "eat out" food for employees of the CSB, followed by Asian and Italian cuisines.
- Asian cuisine is the preferred "eat out" food for SJU employees, followed by Mexican, Italian and seafood.
- In general, the top three "eat out" foods for the college staff are Asian, Mexican and Italian.
- Over one-third of SJU employees go out for dining or entertainment in the evening in St. Cloud/Waite Park one or more times a week. CSB employees are less likely with 28.5 percent.
- SJU employees are more likely to visit Downtown St. Cloud in the evening for dining and entertainment once a month than CSB employees, 31.4 percent and 16.7 percent, respectively.
- SJU employees have a higher tendency to visit the Twin Cities 2 to 3 times a semester in the evening for dining and entertainment (29.4 percent) than CSB employees (14.6 percent).
- One-third of respondents eat an evening meal at a family restaurant once or more per month.
- Moderately priced restaurants are visited by 48.7 percent of survey respondents once a month or more often.
- Availability of liquor at a restaurant is not important to either CSB or SJU employees as long as wine or beer is offered.
- CSB and SJU employees are not likely to attend a movie shown on campus: 73.6 percent of CSB employees and 70.6 percent of SJU employees say they never attend on-campus movies.
- CSB and SJU employees are more likely to attend off-campus movies. Over one-third of CSB employees and almost one-half of SJU employees attend movies off-campus 2 to 3 times a semester or more.

- Seventy-five percent of all respondents would like to see groceries in Downtown St. Joseph.
- CSB employees would also like to see drug store items (71.5 percent), gift items (59.7 percent), greeting cards (56.3 percent) and books (54.9 percent).
- SJU employees would also like to see books (56.9 percent) and drug store items (54.9 percent).
- In total, 22.6 percent of the respondents live in St. Joseph and 31.3 percent live in St. Cloud.

What staff like best about Downtown St. Joseph (Top 10 responses)

Response	Number
Small town feel	38
Local Blend	20
Bo Diddley's	18
Landscaping on Main	16
Walkable	15
Small size	12
Coffee shop	12
Easy parking	10
Quaint	10
St. Joseph Meat Market	10

What staff like least about Downtown St. Joseph (Top 10 responses)

Response	Number
Not enough choices for dining	22
It looks run down/storefronts	17
Lack of shopping options	13
Too many bars	12
Lack of care and cleanliness	10
Lack of variety	10
Grocery store small and overpriced	7
No character	7
Nothing to bring me to town	5
Parking	5

What improvements would staff like to see in St. Joseph (Top 10 responses)

Response	Number
More restaurants	17
Larger grocery store	17
Business development that would give the city a facelift/storefronts	15
More variety of eating establishments	14
More stores to shop	11
Small shops with unique gifts/specialty shops	9
Book store	8
More variety	7
More lunch eating options	7
Expanded art venue	6

Summary comments of survey responses do not reflect the full value of the survey responses. It is recommended that responses to individual questions be reviewed for a fuller understanding of the information.

Chapter V

BUSINESS AND REALTOR SURVEYS

Results of the business and realtor surveys were summarized. For some questions, respondents' comments are reported verbatim to avoid watering down of the comments by summarizing.

ST. JOSEPH BUSINESS SURVEY

Phone surveys were conducted with ten area retailers to gather data to evaluate the perceptions of business owners regarding owning and operating a business in St. Joseph. Respondents were asked for their opinions on St. Joseph's strengths and weaknesses and their ideas for new businesses in St. Joseph. Respondents were also asked about their current business success and their plans for the future. Survey respondents were selected from a list provided by city staff of business owners and managers in St. Joseph. The following is a summary of their responses.

The business survey was conducted over the phone with the owner of each business. Types of businesses included: auto body, restaurant/bar (3), grocery/meat, coffee shop, financial institutions (2) and a salon. The store sizes ranged from 1,400 square feet to 10,000 square feet and the businesses ranged in age from over 100 years to three years.

St. Joseph area businesses draw their customers from a large geographic area ranging from St. Joseph to as far as the Twin Cities. When asked where their customers come from, eight out of ten respondents stated "local" or within St. Joseph. Food service and personal service retailers cite the colleges as a source of customers, while establishments such as the meat market and bowling alley attract customers from as far as the Twin Cities. Four out of ten respondents attract their customers from St. Cloud.

Area business owners feel that St. Joseph offers a number of strengths for their businesses. High growth and the college were mentioned by four out of ten retailers as a strength for their business. Convenience was also cited as a strength for local businesses. Other strengths include: being a suburb of St. Cloud, dedication of small town, young people, and high traffic counts.

On the other hand, there are some weaknesses for St. Joseph retailers, such as the lack of jobs, traffic being routed away from downtown and slow commercial growth. Other perceived weaknesses include: no high school, cannot convince people to shop in town, and operating costs have increased.

When asked what types of new businesses retailers would like to see in St. Joseph, three out of ten respondents mentioned grocery store and new dining establishments. Other ideas included: gift store, bistro, clothing, professional services, more entertainment, law office, spa and tax preparation.

In general, retailers have seen increases in sales growth since 2002. Six out of ten retailers say they have had increases, one as high as 27 percent. Two out of ten have seen steady or flat sales growth and the other two businesses have seen declines in sales, one due to changes in the DWI law and the other due to management.

As far as plans for changes to their businesses within the next three years, two retailers plan on increasing the size of their establishment and two retailers plan on making cosmetic changes to their building. One retailer is considering moving because “there is no more capacity for business downtown” and another business is up for sale. Other plans include diversifying food and beverage selection and expanding entertainment and increasing the wages of employees.

Survey respondents were asked several questions about downtown. Attempts to summarize these comments will diminish the individual thoughts. To move forward, St. Joseph community leaders will bring divergent views into consensus. Verbatim responses to each question are contained below:

What changes do you believe would improve retail business in St. Joseph?

Bring in industry or factory to add employees to increase lunch business.

Clear communication between city, college, business owners and residents. Less emotion, more facts and moving forward. Forward moving “in the best interest of the community”.

Unified look with street lights and color scheme.

Clear vision of top 20 most desired businesses and work on getting them here.

Lower taxes. Make it affordable for businesses to come to St. Joseph. Costs keep going up – where are we compared to other towns?

Businesses look rundown, they need fix-ups. There is no more capacity for businesses, especially in downtown. Need to get rid of run down houses for downtown to expand. Or we could do what Sartell did, build a new road, zone it commercial and then call it downtown.

Program to encourage people to upgrade businesses cosmetically. The businesses need upgrades.

Everyone says that competition is good. I know from the public’s perspective, the more options there are the better, so there is a difference between what’s good for the public and what’s good for individual business owners.

Chamber needs to be more pro-active.

You have to convince (and you’re dealing with a lot of new people) people who are used to running up to Cash Wise and Cub that this is their town. It isn’t just a bedroom community and by feeding a little money to the businesses down here, you keep them viable. You have to convince people that they can actually survive by buying from us.

I have mixed feelings about development – I have a small business in a small town because I choose to do so. Small business is only good in small towns. The superstores will not help business.

What changes do you believe would improve retail business in DOWNTOWN St. Joseph?

Re-energize and unify look. Adequate parking, pretty walkways protected from the elements. Reasons to stop and shop because of natural human buying patterns – post office drop box, dry cleaners, bakery, milk, gift cards, light bulbs and a pair of hose?

Find somewhere to add parking. More walking types of retail businesses.

Traffic flow drives business. If we can improve traffic flow downtown, business will improve. Get students and CSB employees to shop downtown.

Update downtown, for example, remove overhead wiring, it makes downtown look dated. Improve parking by developing a municipal parking lot. Set up a financial incentive program to help downtown business owners improve their facility.

More attractive downtown. The street I'm on is really ugly (College Avenue). A quaint feel, where it becomes kind of an attraction in and of itself – that would improve all of our businesses. More people coming in and building houses will help. I think it was a huge mistake when the sidewalks and the street were redone about three or four years ago. They just poured concrete for the sidewalks instead of putting some pavers in.

Any sort of greenery and vegetation will enhance it.

Better mix of shops and services. There is no lawyer in St. Joseph.

The problem is parking. There isn't enough parking. There are rental units that don't have places to park and then use the retail spaces as overflow parking. This is not good for retailers that have early morning deliveries or snow removal services.

The beautification of the city was nice, but diagonal parking would have been better.

I know they are talking face lift and to me it's not going to cause anybody to come in because I put a new front on my store.

Need 2:00 am closing for bars.

Parking downtown – need more cooperation on that issue.

Move meat market processing plant off Minnesota Street. Beautify the parking area and reconfigure it behind City Hall west of meat market and behind Loso's and Local Blend provide rear access to those buildings.

What type of new housing should be located in or around Downtown St. Joseph?

Higher density, condos or patio homes. Senior housing or market rate. NO student housing.

Single family, maybe a few lofts above businesses.

Senior housing, close to church and post office.

Multi-family medium density on redeveloped land.

Not low income! Possibly senior housing. Need to do more for the seniors.

None. Housing should be kept out of downtown.

Personally, I don't' like to see apartments because of what you get with them and I know they keep pushing that we should do low income housing. You get what you get, all you have to do is look at what Waite Park ended up with – I don't think we want that out here.

I'm mixed on this – there are too many homes grandfathered in. How do you make the families move? As the homes get sold, this will change.

Other Comments

I think that the city of St. Joseph is moving in a positive direction, although I'm not a fan of huge development. I like the small town.

We need a nursing home or assisted living right in St. Joseph.

The development of the city is a highly charged issue. Consistent communication (meaning every week for example, running a column, a direct mailing and/or an e-mail blast) regarding the progress and who this affects. FAQs. If everyone feels as though their best interests are being honored (check out the city's comprehensive plan), through this type of real communication, I think we can increase the trust level.

ST. JOSEPH REALTOR SURVEY

Phone surveys were conducted with nine area real estate agents active in the St. Joseph area. The realtors were selected for their experience with real estate listings within the St. Cloud Metropolitan Area. Survey respondents were asked about home purchasers' perceptions about St. Joseph and how they feel St. Joseph compares to other surrounding communities. Pricing and marketing issues were also discussed along with the types of purchasers looking for a home in St. Joseph. Respondents were also asked about the current demand for condominium and senior housing. Realtor responses are summarized below.

All realtors interviewed agreed that home purchasers view St. Joseph positively, stating "small town atmosphere" as St. Joseph's best quality. Homebuyers prefer to purchase homes in St. Joseph over homes in Waite Park because of the homey-residential feel of St. Joseph. On the other hand, realtors felt St. Joseph was at a disadvantage to Sartell when it came to attracting new residents. All realtors cited the difference in school districts as a deterrent to purchasing homes in St. Joseph. The fact that St. Joseph is a part of the St. Cloud School District is perceived as a negative, while Sartell schools are considered superior. Additionally, Sartell is being recognized for its recent growth and added amenities. General opinions of the realtors are positive for the community of Sartell with one realtor stating that Sartell was the “Minnetonka of the St. Cloud” area and another felt it was the “up and coming”.

When asked what could be done to increase housing development in St. Joseph, the realtors felt that St. Joseph needed to expand retail and service businesses. They currently feel that there is “nothing there”. They also felt that new schools and a separate school district would entice new residents to St. Joseph. Only one realtor felt that St. Joseph didn’t need more development.

Purchasers in St. Joseph tend to be first time homebuyers and primarily younger families and couples. The majority of the home shoppers are willing to pay between $150,000 and $200,000 for a single family home. According to interviewed realtors, in general, the sale prices of homes in the area range from $120,000 to $400,000, with $500,000 being the upper end of the market.

Realtors felt that there were also empty-nesters that would like to sell their homes in St. Joseph in order to move into some type of senior housing. These residents desire to own their homes rather than lease/rent; however, the options to do this are rather limited within St. Joseph. The current senior housing inventory in St. Joseph is considered old and not appealing. Realtors feel that the senior condominium or cooperative form of development and ownership has not been popular within the area and has been slow to catch on; however, there are a few successful condominiums in St. Cloud and Sartell.

Summary

Home purchasers view St. Joseph positively and like its small town atmosphere. Small town, however, is inconsistent with home purchasers’ desire for expanded retail and services. Most homebuyers are seeking homes in the $150,000 to $200,000 range. Upper bracket homes sell in the $300,000 to $500,000 range. Condominiums or cooperative senior housing development has been slow to evolve. Patio homes have been popular with seniors, which are seeking new housing options. A supermarket would improve the prospects for senior housing.

Chapter VI

TRADE AREA

Two trade areas were delineated for St. Joseph. The current trade area, shown on Map 6-1, covers a smaller geography based on existing businesses in St. Joseph. The second trade area reflects the expanded trade area for a large supermarket. The current trade area represents St. Joseph's existing retail trade area. The supermarket trade area represents St. Joseph's trade area after the development of a supermarket in St. Joseph.

The trade areas were delineated by McComb Group based on the location of competitive shopping areas, arterial road network, natural boundaries, St. Joseph business owner comments, and previous experience. The current trade area includes St. Joseph and Avon. This trade area is served by I-94, TH-75, County Road 2 and County Road 133.

St. Joseph's supermarket trade area extends further west, north and south to include the communities of St. Anthony, Freeport, Albany, Holdingford, Richmond, Cold Spring, Rockville and a portion of St. Stephen. This extended trade area is served by I-94, County Road 75 and TH-23, which are major arteries for commuters that work in the St. Cloud Metropolitan Area. County Roads 2 and 133 provide access from the north and south.

Population and Households

Population and household growth trends for both trade areas and the St. Cloud Metropolitan Area are shown in Table 6-1.

Table 6-1

ST. JOSEPH CURRENT AND SUPERMARKET TRADE AREAS
POPULATION AND HOUSEHOLDS: 1990 AND 2000 CENSUS; 2006 AND 2011 ESTIMATED

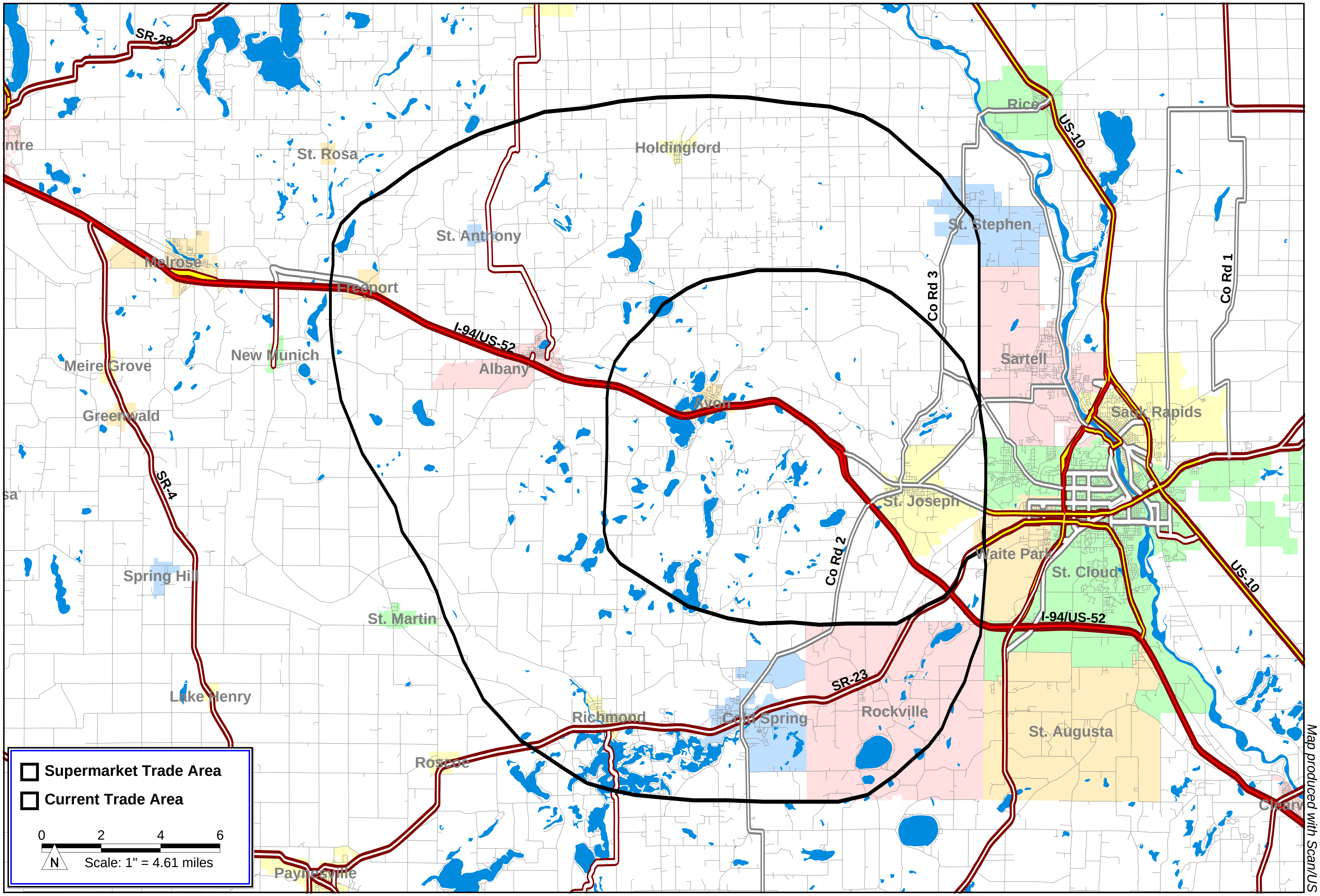
	Current Trade Area	Supermarket Trade Area	St. Cloud MSA
Population			
1990	12,979	30,001	149,901
2000	14,982	34,541	167,392
2006	16,818	38,684	184,998
2011	18,718	42,309	199,089
Annual Growth Rate			
1990-2000	1.45 %	1.42 %	1.11 %
2000-2006	1.95	1.91	1.68
2006-2011	2.16	1.81	1.48
Households			
1990	3,288	8,925	51,068
2000	4,072	10,984	60,669
2006	4,989	13,364	72,120
2011	5,886	15,478	81,759
Annual Growth Rate			
1990-2000	2.16 %	2.10 %	1.74 %
2000-2006	3.44	3.32	2.92
2006-2011	3.36	2.98	2.54

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

The population of the current trade area increased at a rate of 1.45 percent from 12,979 in 1990 to 14,982 in 2000. Between 2000 and 2006, population continued to increase by 1.95 percent to

Map 6-1

ST. JOSEPH CURRENT AND SUPERMARKET TRADE AREAS



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16,818 people. Population is estimated to increase at a rate of 2.16 percent to 18,718 by 2011. Current trade area households were estimated at 4,989 in 2006, a growth rate of 3.44 percent from 2000. In the future, households are expected to increase to 5,886, a growth rate of 3.36 percent. These growth rates are above the MSA household growth rates of 2.92 percent between 2000 and 2006 and 2.54 percent for the next five years.

The supermarket trade area population is increasing at a faster rate than the current trade area. This larger trade area experienced a growth rate of 1.91 percent from 2000 to 2006, increasing its population from 34,541 to 38,684. Population is further increased at a rate of 1.81 percent to 42,309 by 2011.

Supermarket trade area households have been increasing at a slightly slower rate than the current trade area. From 2000 to 2006, supermarket trade area households increased at a rate of 3.32 percent from 10,984 to 13,364 households; while the current trade area increased at a rate of 3.44 percent. Supermarket trade area households are expected to increase to 15,478 in 2011, a growth rate of 2.98 percent.

Population and households in the current and supermarket trade areas are growing at rates faster than the St. Cloud MSA.

Adding a supermarket to St. Joseph's commercial area will expand the trade area by about 140 percent. Residents from this expanded trade area represent potential new customers for current and new businesses in St. Joseph.

Household Income

The distribution of household incomes above $75,000 is shown on Map 6-2. Average household income of $65,448 in 2006 in the current trade area is 12.5 percent higher than the St. Cloud MSA of $58,143, as shown in Table 6-2. In 2011, average household income is expected to reach $69,641 in the current trade area compared to $62,284 in the MSA. Average household income in the supermarket trade area was $60,501 in 2006 and is estimated to increase to $64,568 by 2011. Supermarket trade area average household income is slightly lower due to the larger rural population.

Table 6-2

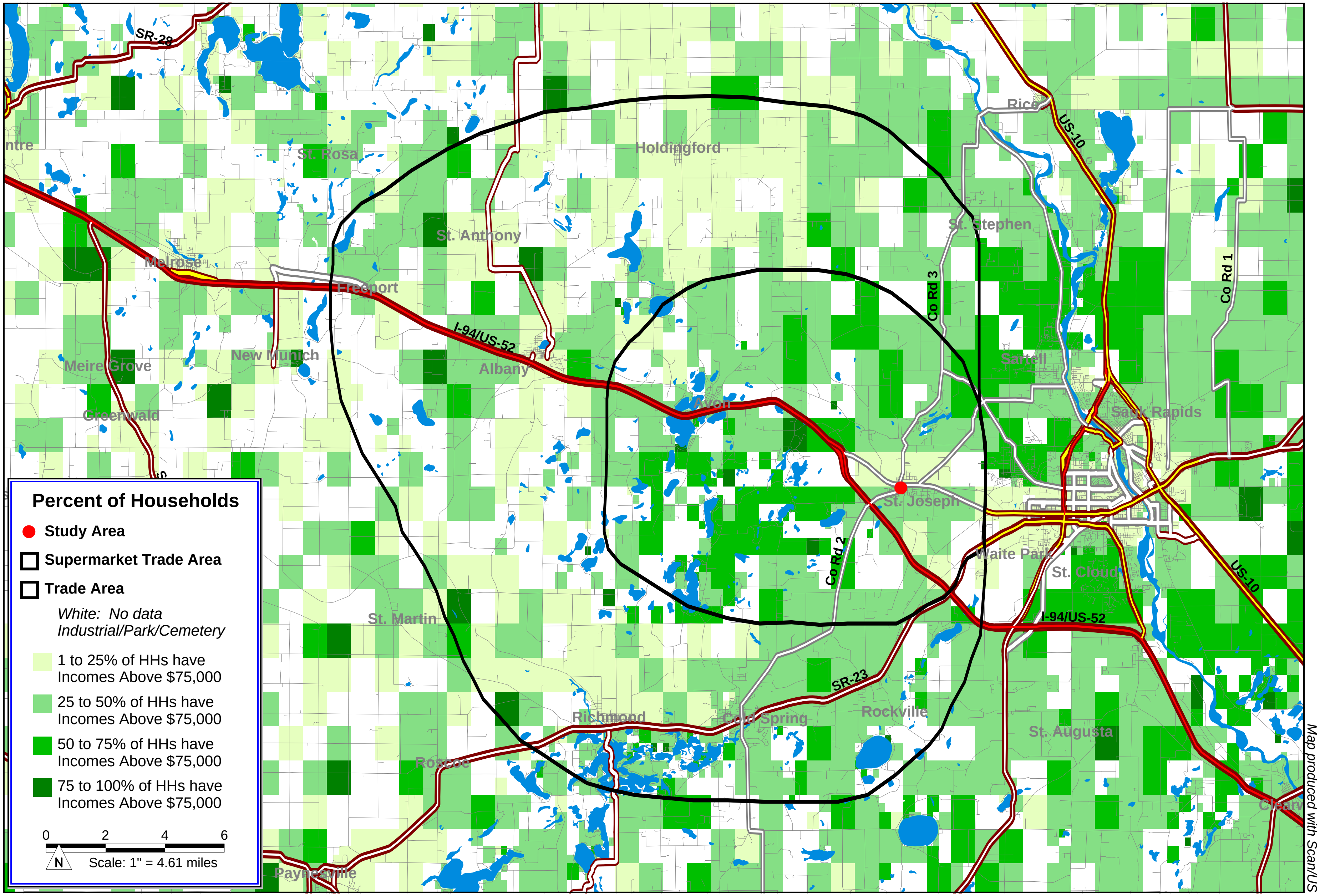
ST. JOSEPH CURRENT AND SUPERMARKET TRADE AREAS
AVERAGE AND MEDIAN HOUSEHOLD INCOME: 1990 AND 2000 CENSUS; 2006 AND 2011 ESTIMATED

	Current Trade Area	Supermarket Trade Area	St. Cloud MSA
Average Household Income			
1990	$ 36,990	$ 33,657	$ 32,705
2000	59,133	56,482	51,966
2006	65,448	60,501	58,143
2011	69,641	64,568	62,284
Median Household Income			
1990	$ 33,785	$ 30,314	$ 27,851
2000	49,265	45,929	42,752
2006	55,558	51,491	48,425
2011	60,145	55,724	52,119

Source: McComb Group, Ltd.

Map 6-2

ST. JOSEPH CURRENT AND SUPERMARKET TRADE AREAS 2011 HOUSEHOLD INCOME PERCENT WITH INCOMES ABOVE $75,000



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Trade area distribution of households with incomes above $75,000, $100,000 and $150,000 are shown in Table 6-3. Percentage of households with incomes above $75,000 and 100,000 are consistently higher in the current trade area than the supermarket trade area and St. Cloud MSA. Households with incomes above $150,000 are generally similar in all areas.

Table 6-3

ST. JOSEPH CURRENT AND SUPERMARKET TRADE AREAS
HOUSEHOLD INCOME DISTRIBUTION: 1990 AND 2000 CENSUS; 2006 AND 2011 ESTIMATED

	Current Trade Area	Supermarket Trade Area	St. Cloud MSA
Households above $75,000			
1990	4.4 %	3.6 %	4.1 %
2000	21.4	18.3	18.1
2006	30.3	26.0	25.0
2011	36.6	31.8	30.0
Households above $100,000			
1990	1.9 %	1.4 %	1.9 %
2000	8.4	7.6	8.2
2006	14.5	12.4	12.5
2011	18.5	16.0	15.8
Households above $150,000			
1990	0.4 %	0.4 %	0.7 %
2000	2.7	2.3	2.7
2006	4.1	3.4	4.0
2011	5.2	4.7	5.2

Source: McComb Group, Ltd.

The supermarket trade area has a lower percentage of upper income households; it has a much larger number of affluent households. In 2011, the current trade area is expected to have 2,152 households with incomes above $75,000 compared to 4,908 households in the supermarket trade area. Similar relationships exist for households with incomes above $100,000 and $150,000.

Table 6-4

ST. JOSEPH CURRENT AND SUPERMARKET TRADE AREAS
HOUSEHOLD INCOME DISTRIBUTION: 1990 AND 2000 CENSUS; 2006 AND 2011 ESTIMATED

	Current Trade Area	Supermarket Trade Area	St. Cloud MSA
Households above $75,000			
1990	141	314	2,068
2000	872	2,014	10,911
2006	1,512	3,482	18,062
2011	2,152	4,908	24,541
Households above $100,000			
1990	60	125	963
2000	342	834	4,922
2006	723	1,659	9,033
2011	1,089	2,466	12,901
Households above $150,000			
1990	13	34	361
2000	110	253	1,609
2006	204	458	2,882
2011	305	722	4,248

Source: McComb Group, Ltd.

Table 6-5

McComb Group, Ltd.

DEMOGRAPHIC AND INCOME SNAPSHOT

St. Joseph Currnet Trade Area 11/5/2007

SNAPSHOT	1990 Census	2000 Census	2006 Estimated	2011 Projected
Population	12,979	14,982	16,818	18,718
Households	3,288	4,072	4,989	5,886
Families	2,621	3,151	3,810	4,472
Per Capita Income	$ 10,311	$ 17,532	$ 21,640	$ 24,337
Median Household Income	$ 33,785	$ 49,265	$ 55,558	$ 60,145
Average Household Income	$ 36,990	$ 59,133	$ 65,448	$ 69,641
Average Household Size	3.18	2.89	2.68	2.55
Median Age	26	30	32	33

	Annual Percent Change		
TRENDS	1990 - 2000	2000 - 2006	2006 - 2011
Population	1.45 %	1.95 %	2.16 %
Households	2.16	3.44	3.36
Families	1.86	3.22	3.26
Median Household Income	3.84	2.02	1.60
Average Household Income	4.80	1.71	1.25

	1990 Census		2000 Census		2006 Estimated		2011 Projected	
HOUSEHOLDS BY INCOME	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than $15,000	508	15.6 %	358	8.8 %	373	7.5 %	399	6.8 %
$15,000 - $24,999	598	18.4	414	10.2	424	8.5	472	8.0
$25,000 - $34,999	678	20.9	458	11.2	511	10.3	580	9.9
$35,000 - $49,999	817	25.2	872	21.4	872	17.5	891	15.1
$50,000 - $74,999	504	15.5	1,098	27.0	1,298	26.0	1,391	23.6
$75,000 - $99,999	81	2.5	530	13.0	789	15.8	1,063	18.1
$100,000 - $149,999	47	1.5	232	5.7	519	10.4	784	13.3
$150,000 +	13	0.4	110	2.7	204	4.1	305	5.2

POPULATION BY AGE	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<19	4,868	37.5 %	5,041	33.6 %	4,828	28.7 %	4,928	26.3 %
20-24	1,965	15.2	2,518	16.8	2,569	15.3	2,309	12.3
25-34	1,797	13.9	1,448	9.7	2,118	12.6	2,777	14.8
35-44	1,682	13.0	2,153	14.4	2,185	13.0	2,384	12.7
45-54	1,019	7.9	1,732	11.6	2,234	13.3	2,558	13.7
55-64	789	6.1	966	6.4	1,480	8.8	2,065	11.0
65-74	496	3.8	684	4.6	800	4.8	1,000	5.3
75-84	353	2.7	334	2.2	432	2.6	508	2.7
85+	NA	NA	105	0.7	171	1.0	188	1.0

RACE AND ETHNICITY	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	12,769	98.4 %	14,645	97.8 %	16,294	96.9 %	17,964	96.0 %
Black	72	0.6	74	0.5	123	0.7	169	0.9
Native American	25	0.2	15	0.1	15	0.1	16	0.1
Asian/Pacific Islander	90	0.7	124	0.8	211	1.3	296	1.6
Other Races	23	0.2	124	0.8	175	1.0	272	1.5
Hispanic (Any Race)	85	0.7	161	1.1	256	1.5	349	1.9

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

Table 6-6

McComb Group, Ltd.

DEMOGRAPHIC AND INCOME SNAPSHOT

St. Joseph Supermarket Trade Area 11/5/2007

SNAPSHOT	1990 Census	2000 Census	2006 Estimated	2011 Projected
Population	30,001	34,541	38,684	42,309
Households	8,925	10,984	13,364	15,478
Families	7,053	8,433	10,138	11,691
Per Capita Income	$ 10,383	$ 18,663	$ 21,946	$ 24,741
Median Household Income	$ 30,314	$ 45,929	$ 51,491	$ 55,724
Average Household Income	$ 33,657	$ 56,482	$ 60,501	$ 64,568
Average Household Size	3.06	2.83	2.62	2.49
Median Age	28	33	35	36

	Annual Percent Change		
TRENDS	1990 - 2000	2000 - 2006	2006 - 2011
Population	1.42 %	1.91 %	1.81 %
Households	2.10	3.32	2.98
Families	1.80	3.12	2.89
Median Household Income	4.24	1.92	1.59
Average Household Income	5.31	1.15	1.31

	1990 Census		2000 Census		2006 Estimated		2011 Projected	
HOUSEHOLDS BY INCOME	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than $15,000	1,834	20.9 %	1,219	11.1 %	1,317	9.9 %	1,387	9.0 %
$15,000 - $24,999	1,675	19.1	1,364	12.4	1,370	10.2	1,461	9.4
$25,000 - $34,999	1,783	20.3	1,349	12.3	1,437	10.8	1,629	10.5
$35,000 - $49,999	1,994	22.7	2,258	20.6	2,322	17.4	2,367	15.3
$50,000 - $74,999	1,163	13.3	2,779	25.3	3,436	25.7	3,727	24.1
$75,000 - $99,999	189	2.2	1,180	10.7	1,823	13.6	2,442	15.8
$100,000 - $149,999	91	1.0	581	5.3	1,201	9.0	1,744	11.3
$150,000 +	34	0.4	253	2.3	458	3.4	722	4.7
POPULATION BY AGE	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<19	10,904	36.4 %	11,535	33.4 %	10,952	28.3 %	10,990	26.0 %
20-24	3,008	10.0	3,451	10.0	3,494	9.0	3,012	7.1
25-34	4,507	15.0	3,911	11.3	5,534	14.3	6,940	16.4
35-44	3,870	12.9	5,430	15.7	5,366	13.9	5,603	13.2
45-54	2,529	8.4	4,138	12.0	5,232	13.5	5,770	13.6
55-64	2,141	7.1	2,492	7.2	3,689	9.5	4,946	11.7
65-74	1,649	5.5	1,919	5.6	2,230	5.8	2,661	6.3
75-84	1,375	4.6	1,180	3.4	1,432	3.7	1,590	3.8
85+	NA	NA	481	1.4	756	2.0	797	1.9
RACE AND ETHNICITY	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	29,720	99.1 %	33,871	98.1 %	37,631	97.3 %	40,732	96.3 %
Black	89	0.3	121	0.3	204	0.5	293	0.7
Native American	41	0.1	30	0.1	33	0.1	35	0.1
Asian/Pacific Islander	119	0.4	190	0.5	340	0.9	492	1.2
Other Races	32	0.1	330	1.0	476	1.2	757	1.8
Hispanic (Any Race)	137	0.5	425	1.2	690	1.8	922	2.2

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

Table 6-7

McComb Group, Ltd.

DEMOGRAPHIC AND INCOME SNAPSHOT

St. Cloud MSA 11/5/2007

SNAPSHOT	1990 Census	2000 Census	2006 Projected	2011 Projected
Population	149,901	167,392	184,998	199,089
Households	51,068	60,669	72,120	81,759
Families	35,556	40,647	48,282	54,694
Per Capita Income	$ 11,461	$ 19,403	$ 23,293	$ 26,244
Median Household Income	$ 27,851	$ 42,752	$ 48,425	$ 52,119
Average Household Income	$ 32,705	$ 51,966	$ 58,143	$ 62,284
Average Household Size	2.79	2.63	2.45	2.45
Median Age	30	32	33	35

	Annual Percent Change		
TRENDS	1990 - 2000	2000 - 2006	2006 - 2011
Population	1.11 %	1.68 %	1.48 %
Households	1.74	2.92	2.54
Families	1.35	2.91	2.53
Median Household Income	4.38	2.10	1.48
Average Household Income	4.74	1.89	1.39

	1990 Census		2000 Census		2006 Projected		2011 Projected	
HOUSEHOLDS BY INCOME	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than $15,000	12,201	24.2 %	8,034	13.2 %	8,258	11.5 %	8,563	10.5 %
$15,000 - $24,999	10,405	20.7	7,984	13.2	8,058	11.2	8,374	10.2
$25,000 - $34,999	9,685	19.2	8,170	13.5	8,711	12.1	9,663	11.8
$35,000 - $49,999	10,111	20.1	11,751	19.4	12,050	16.7	12,224	15.0
$50,000 - $74,999	5,847	11.6	13,819	22.8	16,981	23.5	18,394	22.5
$75,000 - $99,999	1,105	2.2	5,989	9.9	9,029	12.5	11,640	14.2
$100,000 - $149,999	602	1.2	3,313	5.5	6,151	8.5	8,653	10.6
$150,000 +	361	0.7	1,609	2.7	2,882	4.0	4,248	5.2
POPULATION BY AGE	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<19	49,080	32.8 %	51,431	30.7 %	49,347	26.7 %	49,596	24.9 %
20-24	17,547	11.7	17,736	10.6	17,207	9.3	14,782	7.4
25-34	25,123	16.8	22,367	13.4	30,793	16.6	35,809	18.0
35-44	19,478	13.0	25,594	15.3	25,522	13.8	26,939	13.5
45-54	12,088	8.1	20,042	12.0	24,930	13.5	27,299	13.7
55-64	10,429	7.0	11,796	7.0	16,504	8.9	21,614	10.9
65-74	8,741	5.8	9,569	5.7	10,360	5.6	12,154	6.1
75-84	7,377	4.9	6,408	3.8	7,118	3.8	7,631	3.8
85+	NA	NA	2,449	1.5	3,217	1.7	3,265	1.6
RACE AND ETHNICITY	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	147,808	98.7 %	160,765	97.3 %	175,614	96.4 %	187,126	95.7 %
Black	474	0.3	1,376	0.8	2,092	1.1	2,773	1.4
Native American	430	0.3	527	0.3	519	0.3	507	0.3
Asian/Pacific Islander	978	0.7	2,496	1.5	3,909	2.1	5,224	2.7
Other Races	3	0.0	61	0.0	17	0.0	6	0.0
Hispanic (Any Race)	662	0.4	2,134	1.3	3,415	1.9	4,419	2.3

* Includes 85+ for 1990.
Source: U.S. Census, Scan/US, Inc. and McComb Group, Ltd.

Demographic Characteristics

Demographic characteristics for St. Joseph's current trade area, supermarket trade area and St. Cloud MSA are summarized in the demographic snapshots contained in Tables 6-5, 6-6 and 6-7. These snapshots contain Census data for 1990 and 2000, as well as estimates for 2006 and 2011. These estimates were obtained from Scan/US, Inc., a source of demographic information. Significant characteristics of St. Joseph's trade areas include the following:

- Current trade area 2006 median age of 32 is lower than the supermarket trade area (35) and St. Cloud MSA (33).
- The current trade area has a larger 2006 household size (2.68) than both the supermarket trade area (2.62) and the St. Cloud MSA (2.45).
- The supermarket trade area and the St. Cloud MSA each have over eleven percent of their 2006 population over the age of 65. In the current trade area, 8.4 percent of their population is over age 65.
- Population under age 20 is slightly larger (about 28 percent) in the current and supermarket trade areas compared to 26.7 percent in the MSA.

Purchasing Power

Retail sales potential for the St. Joseph trade areas is based on estimated purchasing power and market share that can be achieved from the trade areas. Retail sales from residents living outside the trade areas are inflow sales. Purchasing power is the estimated annual spending potential of trade area households for retail goods, food service and services. Purchasing power estimates of trade area residents are derived from the retail sales by store type as reported by the Census of Retail Trade in 1997 and 2002. Retail sales for 2003 through 2006 were estimated using information available from the U.S. Department of Commerce. Future purchasing power estimates are expressed in constant 2006 dollars and reflect projected household growth. Household growth is based on the analysis described earlier in this chapter.

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 purchasing power summary tables for the current trade area for 2005, 2010, 2015 and 2020 shown in Table 6-8.

Current trade area purchasing power for shopping goods is expected to increase from $45.2 million in 2005 to over $57.5 million in 2010, a growth rate of 4.9 percent, further increasing to almost $75.9 million in 2015. By 2020, the current trade area is estimated to represent $96.8 million in shopping goods purchasing power. Convenience goods purchasing power, estimated at $30.9 million in 2005, is anticipated to increase to over $39.2 million in 2010. By 2015, convenience goods purchasing power is estimated to increase to $51.8 million, further increasing to $66.1 million by 2020. Food store purchasing power in 2005 was $21.8 million and $27.7 million in 2010, an increase of 4.9 percent annually. Future estimates show a further increase to $36.6 million in 2015 and $46.7 million in 2020.

Total purchasing power for the current trade area was $162.6 million in 2005, and is estimated to increase to over $206.7 million in 2010, an annual increase of 4.9 percent. By 2010, it is estimated that the current trade area will provide a total of over $272.6 million in purchasing power, further increasing to almost $348.0 million by 2020.

Table 6-8

ST. JOSEPH CURRENT TRADE AREA
RETAIL PURCHASING POWER; 2005 TO 2020
(In Thousands of 2006 Constant Dollars)

Merchandise Category	2005	2010	2015	2020
General Merchandise	**$ 20,102**	**$ 25,565**	**$ 33,716**	**$ 43,025**
Department stores (Incl. leased depts.)	17,654	22,452	29,611	37,786
Discount stores	11,644	14,808	19,530	24,922
Conventional	4,040	5,139	6,777	8,648
National Chain	1,970	2,505	3,304	4,216
Other general merchandise stores	2,448	3,113	4,105	5,239
Variety stores	203	258	340	434
Miscellaneous general mdse.	2,245	2,855	3,765	4,805
Apparel & Accessories	6,126	7,792	10,276	13,113
Furniture & Home Furnishings	4,576	5,820	7,676	9,796
Electronics & Appliances	5,489	6,980	9,207	11,749
Other Shopping Goods	8,934	11,363	14,986	19,127
Total Shopping Goods	**$ 45,227**	**$ 57,520**	**$ 75,861**	**$ 96,810**
Food Service & Drinking	**$ 15,105**	**$ 19,211**	**$ 25,335**	**$ 32,331**
Convenience Goods	**$ 30,890**	**$ 39,284**	**$ 51,813**	**$ 66,119**
Food Stores	21,810	27,737	36,582	46,683
Drug & Propriety Stores	4,634	5,893	7,773	9,919
Hardware Stores	1,086	1,381	1,822	2,325
Beer, Wine & Liquor Stores	2,636	3,352	4,421	5,642
Florists	579	737	972	1,240
Health supplement stores	145	184	243	310
Gasoline Service Stations & Conv.	**$ 13,411**	**$ 17,055**	**$ 22,493**	**$ 28,704**
Other Stores	**$ 57,943**	**$ 73,692**	**$ 97,189**	**$ 124,022**
Building Materials & Supply Stores	13,526	17,203	22,688	28,952
Lawn & Garden Equipment	1,680	2,136	2,817	3,596
Used Merchandise Stores	348	442	583	744
Motor Vehicles & Parts Dealers	42,389	53,911	71,101	90,730
Total	**$ 162,576**	**$ 206,762**	**$ 272,691**	**$ 347,986**

Source: McComb Group, Ltd.

Purchasing power for shopping goods in the supermarket trade area is contained in Table 6-9. Supermarket trade area shopping goods purchasing power was $118.7 million in 2005, increasing to almost $148.6 million by 2010, further increasing to over $194.1 million in 2015 and $246.3 million in 2020. This represents a 15-year increase of 4.9 percent per year. Convenience goods purchasing power was over $81.0 million in 2005 and is estimated to increase to over $101.4 million in 2010, a 4.6 percent increase. By 2015, convenience goods purchasing power is estimated to be $132.6 million, further increasing to over $168.1 million by 2020. Food store purchasing power represents about 70 percent of convenience goods purchasing power. Food store purchasing power is expected to increase to over $71.6 million by

2010, an increase of 4.6 percent annually. It is estimated that the supermarket trade area will represent $118.8 million in 2006 constant dollars of food store purchasing power by 2020.

Table 6-9

ST. JOSEPH SUPERMARKET TRADE AREA
RETAIL PURCHASING POWER; 2005 TO 2020
(In Thousands of 2006 Constant Dollars)

Merchandise Category	2005	2010	2015	2020
General Merchandise	**$ 52,761**	**$ 66,039**	**$ 86,278**	**$ 109,448**
Department stores (Incl. leased depts.)	46,337	57,998	75,773	96,122
Discount stores	30,562	38,253	49,976	63,398
Conventional	10,605	13,274	17,343	22,000
National Chain	5,170	6,471	8,454	10,724
Other general merchandise stores	6,424	8,041	10,505	13,326
Variety stores	532	666	870	1,104
Miscellaneous general mdse.	5,892	7,375	9,635	12,222
Apparel & Accessories	16,077	20,125	26,294	33,354
Furniture & Home Furnishings	12,012	15,036	19,642	24,918
Electronics & Appliances	14,406	18,032	23,558	29,885
Other Shopping Goods	23,452	29,357	38,352	48,652
Total Shopping Goods	**$ 118,708**	**$ 148,589**	**$ 194,124**	**$ 246,257**
Food Service & Drinking	**$ 39,647**	**$ 49,625**	**$ 64,833**	**$ 82,244**
Convenience Goods	**$ 81,078**	**$ 101,486**	**$ 132,586**	**$ 168,194**
Food Stores	57,245	71,654	93,612	118,753
Drug & Propriety Stores	12,164	15,226	19,891	25,233
Hardware Stores	2,851	3,568	4,662	5,914
Beer, Wine & Liquor Stores	6,918	8,659	11,313	14,351
Florists	1,520	1,903	2,486	3,154
Health supplement stores	380	476	622	789
Gasoline Service Stations & Conv.	**$ 35,200**	**$ 44,058**	**$ 57,560**	**$ 73,019**
Other Stores	**$ 152,085**	**$ 190,364**	**$ 248,701**	**$ 315,494**
Building Materials & Supply Stores	35,503	44,439	58,058	73,650
Lawn & Garden Equipment	4,409	5,519	7,211	9,147
Used Merchandise Stores	912	1,142	1,492	1,892
Motor Vehicles & Parts Dealers	111,261	139,264	181,940	230,805
Total	**$ 426,718**	**$ 534,122**	**$ 697,804**	**$ 885,208**

Source: McComb Group, Ltd.

Total purchasing power for the supermarket trade area was $426.7 million in 2005, and is estimated to increase to over $534.1 million by 2010. By 2015, total purchasing power for the supermarket trade area is expected to be $697.8 million, increasing to over $885.2 million by 2020.

Chapter VII

RETAIL DEVELOPMENT POTENTIAL

St. Joseph lies in the western portion of the St. Cloud urbanized area, and its retail trade area includes areas to the north, west and south, including several freestanding communities. Factors that support retail and service potential in St. Joseph include:

- Household growth within St. Joseph's trade area.
- I-94, County Roads 2, 75 and 133 provide excellent access to St. Joseph.
- Proximity to the CSB and SJU with a combined enrollment of 4,100 in 2007.
- These two institutions have a combined staff of 940.
- Future potential for a large supermarket along County Road 75.
- Average household income in St. Joseph's trade area exceeds $65,000 in 2006 compared to $58,143 for the St. Cloud MSA; and is expected to be almost $70,000 in 2011.
- In 2011, 18.5 percent of the households in St. Joseph's trade area are expected to have incomes above $100,000.
- St. Joseph's has a highly educated population with 28.1 percent of the population over age 24 having college degrees and 10.4 percent having graduate degrees in 2006.

St. Joseph's favorable trade area demographic characteristics and population growth rates provide support for retail stores and services that are not currently located in the city. St. Joseph's Central Business District and Highway 75 retail areas offer retail and service establishments in two different commercial environments.

Retail Sales

Future sales potential is based on market share that can be achieved taking into consideration primary trade area households, future growth, and potential competitive developments. Market share estimates for St. Joseph are based on analysis conducted as part of this engagement, 1997 and 2002 retail and service sales in St. Joseph and McComb Group's knowledge of St. Cloud's retail market.

Retail sales in St. Joseph increased from $23.1 million in 1997 to $27.9 million in 2002 according to the U.S. Census of Retail Trade, as shown in Table 7-1. This represented an annual average increase of 3.8 percent. During the same period, the number of retail stores increased from 26 to 27. There were, however, differences in sales performance within individual categories. Retail sales of food and beverage stores increased at an annual rate of 4.25 percent. In the food service category, sales increased at a rate of 1.8 percent, indicating that sales are falling behind growth in population and inflation. The same is true of convenience stores with gasoline, which increased at a 1.62 percent rate. Retail sales for other categories were not available.

Table 7-1

ST. JOSEPH RETAIL ESTABLISHMENTS, SALES AND EMPLOYEES; 1997 AND 2002
(In Thousands of Dollars)

	1997			2002		
	Establishments	Sales	Employees	Establishments	Sales	Employees
Retail Sales						
Total Sales	26	$ 23,098	280	27	$ 27,920	290
Gasoline Stations	5	8,257	61	4	8,950 E	N/A
Food & Beverage	4	2,850	N/A	4	3,497	49
Food Services	11	3,642	163	12	3,985	168

E: Estimated
Source: U.S. Census, Minnesota Department of Revenue and McComb Group, Ltd.

Retail sales for 1997 and 2002 are contained in Table 7-2 for St. Joseph. Purchasing power was calculated for 1997 and 2002 by McComb Group. Retail sales derived from the trade area were estimated for each retail category to determine trade area sales and market share as a percent of purchasing power. Using beverage stores as an example, 1997 retail sales were about $1,500,000 with 70 percent of those sales assumed to be from the primary trade area. This results in trade area sales of $1,050,000, which is 62.6 percent of estimated purchasing power of $1,678,000. This is a market share of 62.6 percent.

Table 7-2

ST. JOSEPH PURCHASING POWER, RETAIL SALES AND MARKET SHARE; 1997 AND 2002
(In Thousands of Dollars)

Business Type	Purchasing Power	Retail Sales	Trade Area Sales Percent	Trade Area Sales Dollars	Market Share
1997					
Food	$ 13,882	$ 1,340	80%	$ 1,072	7.7 %
Beverage Stores	1,678	1,500	70	1,050	62.6
Food Service	9,614	3,642	70	2,549	26.5
Convenience/Gasoline	8,536	8,257	50	4,129	48.4
2002					
Food	$ 18,842	$ 1,597	80%	$ 1,278	6.8 %
Beverage Stores	2,277	1,900	70	1,330	58.4
Food Service	13,049	3,985	70	2,790	21.4
Convenience/Gasoline	11,585	8,950	55	4,923	42.5

Source: U. S. Department of Commerce and McComb Group, Ltd.

In 2002, estimated beverage stores sales of $1,900,000 resulted in market share of 58.2 percent. Even though retail sales increased, market share declined indicating that beverage stores were falling behind trade area growth. The same is true of the other retail categories. Convenience stores/gasoline was estimated to have a 48.4 percent market share in 1997, which declined to 42.5 percent in 2002.

Retail sales are available for only four categories of retail stores because the Retail Census suppresses sales in categories with three or fewer stores.

Market Share

Retail and service sales potential for St. Joseph's current trade area and supermarket trade area are based on market share that can be achieved taking into consideration past market share trends in St. Joseph, trade area households, future growth, and potential competitive developments. Market share estimates are based on analysis conducted as part of this engagement, McComb Group's knowledge of the St. Cloud area retail market, and analysis contained in Table 7-3. Sales potential was estimated for four target years: 2010, 2015, 2020 and 2025 to identify growth in retail and service sales as trade area households and purchasing power increase.

Table 7-3

ST. JOSEPH MARKET SHARE AND TRADE AREA SALES; 2010

Store Type	Current Market Share	Current Trade Area Sales	Supermarket Market Share	Supermarket Trade Area Sales
Convenience Goods				
Supermarkets	35.0 %	85 %	40.0 %	80 %
Other Food Stores	30.0	85	40.0	80
Drug & Proprietary Stores	40.0	85	35.0	80
Liquor	60.0	85	40.0	80
Hardware Stores	40.0	85	30.0	80
Other Convenience Stores	35.0	85	25.0	80
Food Service	35.0 %	75 %	25.0 %	70 %
Gasoline/Convenience Stores	40.0 %	50 %	25.0 %	60 %
Shopping Goods				
General Merchandise				
Discount Stores	25.0 %	75 %	25.0 %	80 %
Conventional	25.0	75	25.0	80
National Chain	25.0	75	25.0	80
Variety Stores	35.0	75	35.0	80
Apparel & Accessories	15.0	75	15.0	80
Furniture & Home Furnishings	20.0	75	20.0	80
Electronics & Appliances Stores	20.0	75	15.0	80
Other Shopping Goods	15.0	75	15.0	80
Other Retail Stores				
Building Materials	35.0 %	85 %	35.0 %	35 %
Auto Parts & Accessories	35.0	85	25.0	80
Services	35.0 %	85 %	20.0 %	85 %
Health Care	25.0 %	85 %	20.0 %	85 %

Source: McComb Group, Ltd.

Resident purchasing power is derived from Tables 6-8 and 6-9 in Chapter IV. Market share was estimated for each retail and service category taking into consideration past market share performance, trade area size, competitive store locations and industry experience. Trade area market share by store type is shown in Table 7-3 for each trade area. Using the current trade area as an example, in the convenience goods category market share is estimated at 35 to 60 percent with 85 percent of the sales being derived from the primary trade area. Food service market share is estimated at 35 percent with 75 percent of the sales derived from the trade area. In the shopping goods category, market share ranges from 15 percent to 35 percent depending on store category. In the shopping goods category, most stores are estimated to receive 75 percent of their sales from the primary trade area with 25 percent represented by inflow sales. Market share in the services and health care categories are estimated at 25 to 35 percent with 85 percent of the sales being derived from the primary trade area.

Supermarket trade area market share ranges from 25 to 40 percent in the convenience categories with 80 percent of the sales being derived from the trade area. Food service market share is estimated at 25 percent with 70 percent from the trade area. Shopping goods market share is estimated at 15 to 35 percent. Services and health care market share is 20 percent. In some categories, market share is lower in the supermarket trade area because of the larger number of households. These categories will still have larger sales potential.

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 2010 in Tables 7-4 and 7-5. These tables use convenience goods stores in both trade areas as examples to illustrate how a supermarket increases supportable square footage of retail stores and services.

Table 7-4

ST. JOSEPH CURRENT AND SUPERMARKET TRADE AREAS
RETAIL PURCHASING POWER, MARKET SHARE AND SALES POTENTIAL; 2010
BY MERCHANDISE CATEGORY
(In Thousands of Dollars)

	Primary Trade Area					
Merchandise Category	Resident Purchasing Power	Estimated Market Share	Trade Area Sales	Trade Area Percent	Other Shoppers	Estimated Sales Potential
Current Trade Area						
Grocery stores	$ 25,067	35.0 %	$ 8,773	85.0 %	$ 1,548	$ 10,321
Drug & proprietary stores	5,893	40.0	2,357	85.0	416	2,773
Hardware	1,381	40.0	552	85.0	97	649
Liquor	3,352	60.0	2,011	85.0	355	2,366
Florist	737	35.0	258	85.0	46	304
Supermarket Trade Area						
Grocery stores	$ 64,755	40.0 %	$25,902	80.0 %	$ 6,476	$ 32,378
Drug & proprietary stores	15,226	35.0	5,329	80.0	1,333	6,661
Hardware	3,568	30.0	1,070	80.0	268	1,338
Liquor	8,659	40.0	3,464	80.0	866	4,330
Florist	1,903	25.0	476	80.0	119	595

Source: McComb Group, Ltd.

Using grocery stores as an example, resident purchasing power in 2010 in the current trade area is estimated at $25.1 million, as shown in Table 7-4. Market share of 35 percent results in $8.8

million in trade area sales. Adding inflow sales of $1.5, results in total estimated sales of about $10.3 million. In the supermarket trade area, grocery store purchasing power is $64.8 million, a 158 percent increase from $25.1 million in the current trade area. Sales potential is estimated at $32.4 million. Estimated sales potential is about $2.8 million for drug stores and $2.4 million for liquor stores in the current trade area, compared to $6.8 million and $4.3 million, respectively. A supermarket is likely to have both a pharmacy and liquor store to capture some of this increased sales potential. The same approach is used for other retail and service categories. Sales potential for other retail stores and services is contained in the Appendices (under separate cover).

Supportable GLA for grocery stores in the current trade area is based on sales potential of $10.3 million divided by $400 per square foot, resulting in supportable square footage of 25,802 square feet, as shown in Table 7-5. Supportable grocery store space in the supermarket trade area is based on sales potential of $32.3 million and sales productivity of $450 per square foot. This indicates sales support for about 70,000 square feet of grocery store space. Not all of this would be new sales for the supermarket operator. A store in St. Joseph would result in sales transfer from supermarkets in St. Cloud and Sartell. The proposed supermarket will also capture sales transfer from smaller supermarkets in communities to the west and south of St. Joseph.

Table 7-5

ST. JOSEPH CURRENT AND SUPERMARKET TRADE AREA
RETAIL SALES POTENTIAL AND SUPPORTABLE SPACE; 2010
BY MERCHANDISE CATEGORY

Merchandise Category	Estimated Sales Potential	Sales Per Sq. Ft.	Supportable Square Feet	Median Store Size
Current Trade Area				
Grocery stores	$ 10,321,000	$ 400	25,802	42,228
Drug & proprietary stores	2,773,000	360	7,703	11,153
Hardware	649,000	185	3,508	7,857
Liquor	2,366,000	375	6,309	3,850
Florist	304,000	225	1,351	1,700
Supermarket Trade Area				
Grocery stores	$ 32,378,000	$ 450	71,951	42,228
Drug & proprietary stores	6,661,000	360	18,504	11,153
Hardware	1,338,000	185	7,232	7,857
Liquor	4,330	375	11,345	3,850
Florist	595,000	225	2,644	1,700

Source: McComb Group, Ltd.

The last column in this table contains the median store size from *Dollars & Cents of Shopping Centers*, published by the Urban Land Institute, for each store type. Median store size indicates a typical size for a store in each retail category. To the extent that supportable square footage is about the same as the median store size or larger, sales potential exists to support that store type. Complete tables showing supportable square footage by retail and service category for each target year are contained in the Appendices.

Store types and median store sizes used in this analysis are based on current retail formats and store size. Since this study extends over a 20-year period, store types and concepts may change during this period. Recent trends have been for many store types to increase in size to accommodate a larger selection of merchandise and increase customer attraction.

Retail gross leasable area (GLA) supported by estimated sales potential for each retail store category is based on estimated sales per square foot (in 2007 dollars) by store type. Sales per square foot estimates are derived from median store sales per square foot for each tenant type contained in *Dollars & Cents of Shopping Centers*, and have been increased to reflect sales per square foot in 2007. 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.

College and University Impact

Students at CSB and SJU represent spending potential for a wide variety of retail goods and services in St. Joseph. College students living in St. Joseph are included in St. Joseph's population, but are not considered households. As a result, they are not included in trade area purchasing power based on households. Student spending potential is included in inflow sales. Survey research contained in Chapter III, indicated that the student body at CSB and SJU has spending potential of about $2 million for entertainment and about $1.5 million on clothing per school year. These students also have spending potential for a wide variety of other retail and service categories that can be tapped by businesses in St. Joseph.

Supportable Square Feet

St. Joseph development potential for retail stores, food service, and services is closely related to the number of trade area households and future growth. Current trade area households are shown at the top of Table 7-6 and illustrate how trade area residential development is projected to increase. Households in the current trade area are estimated to increase from 4,730 in 2006 to 5872 in 2016. In contrast, households in the supermarket trade area are estimated to increase from 13,105 in 2006 to 16,797 in 2016.

The current trade area for downtown St. Joseph can support an estimated 135,900 square feet of retail goods and services in 2010. The major retail categories, with more than 20,000 square feet of space, include convenience goods, food service, and services. Categories in this table were summarized from Table 7-7 at the end of this chapter, which contains supportable square footage for a wide variety of stores and services and the range of store sizes for each category. This list contains sales potential and supportable square footage for a wide variety of store types, some of which are feasible in St. Joseph today, but are not located in the community. In other cases, sales potential is insufficient to support a store in that category, but this could become a merchandise category in a store selling related goods. In this way, sales potential from two or more categories can be combined in one store or added to an existing store in St. Joseph.

The supermarket trade area, due to its larger number of households, has supportable square footage of 328,350 square feet in 2010. Convenience goods represents almost 30 percent of this total and includes a large (60,000 square foot) supermarket. Shopping goods is the second largest category with 67,350 square feet of supportable space. This square footage is distributed over a wide variety of stores shown in Table 7-6. Categories with over 30,000 square feet include food service, services, and health care.

Table 7-6

CURRENT AND SUPERMARKET TRADE AREAS SUPPORTABLE SPACE
BY MERCHANDISE CATEGORY
(Gross Leasable Area)

Merchandise Category	2006	2010	2016
Current Trade Area			
Trade Area Households	4,730	5,254	5,872
Convenience Goods	17,000	22,300	27,900
Food Service	19,500	23,300	30,500
Shopping Goods	6,700	14,300	26,400
Building Materials	7,500	10,000	12,600
Auto Parts & Accessories	11,000	13,700	18,500
Services	19,000	22,200	31,900
Health Care	13,600	17,600	22,500
Other Services	10,000	12,500	17,000
Total	104,300	135,900	187,300
Supermarket Trade Area			
Trade Area Households	13,105	14,846	16,797
Convenience Goods	87,900	105,000	138,000
Food Service	29,800	38,200	50,000
Shopping Goods	50,100	67,350	87,000
Building Materials	21,500	23,100	25,200
Auto Parts & Accessories	17,000	26,000	28,000
Services	26,700	30,500	44,200
Health Care	26,300	35,600	43,800
Other Services	18,000	26,000	29,000
Total	277,300	351,750	445,200

Source: McComb Group, Ltd.

Downtown

Downtown, due to its limited size and location away from the heavily traveled streets, is most suitable for retail, specialty stores, restaurants and services that cater to students, staff and young adult customers. This area is also suitable for personal services, business services, medical offices, and financial services where the service providers have a personal or business relationship with their customers. Examples include, but are not limited to: beauty salons, doctors, dentists, insurance agents, real estate agents, lawyers, and other professionals.

Highway 75

Highway 75 retail area is suitable for auto-oriented uses, convenience goods retailers, retail specialty stores that cater to trade area residents, services and large retail stores. Examples include, but not limited to: supermarkets, fast food, gas/convenience stores, building materials, auto parts, auto services, furniture, floor coverings and other similar stores.

College Community Opportunities

Both CSB and SJU have college bookstores on their campuses to serve students and faculty. These bookstores carry far more than just college text books and college supplies. Other departments include limited selections of trade books, stationery and writing supplies, convenience food and beverages, and general merchandise including logo clothing and gift items. If the Saint Benedict's bookstore were located on Minnesota Street, it would be far more accessible to St. Joseph trade area residents. This becomes a potential source of additional revenue for the bookstore. For example, sales potential analysis indicated support for the following types of categories that are consistent with the bookstore merchandise mix. These included:

Category	Dollars
Music, computers and other electronics	$ 791,000
Books	184,000
Stationery and office supplies	199,000
Greeting cards and gifts	265,000
Total	$ 1,439,000

These three categories represent $1.4 million of sales potential in 2010. Not all of this sales potential can be captured in a bookstore, but some of it could be. St. Joseph has very limited or no offerings in these categories that are consistent with bookstore merchandise mix. Expanding these departments within the bookstore would fill a merchandise void in St. Joseph and become a convenience shopping alternative for trade area residents.

Students at Saint Benedicts and Saint John's expressed the desire for a wide variety of merchandise that they would like to see offered in St. Joseph. While not all of these categories can be accommodated in a trade area the size of St. Joseph, there is merchandise that could be offered by businesses in St. Joseph to meet student and resident needs. Businesses should review survey results and sales potential estimates by store type for merchandise and service ideas.

Land Demand

Land necessary to support the estimated retail development potential in St. Joseph is shown in Table 7-8. These allocations include existing square footage in St. Joseph. This analysis suggests that based on its current trade area, St. Joseph needs about 21 acres of land area in 2011 and about 26 acres in 2016 to support its existing retailers and future potential. These estimates are based on the assumption that each acre will hold approximately 10,000 square feet of retail space, excluding area required for water retention. The actual amount of space needed by individual store types or shopping centers may be more or less depending on the efficiency of the land use. Supermarket trade area land demand increases from an estimated 43 acres in 2011 to about 55 acres in 2016.

Table 7-8

ST. JOSEPH RETAIL LAND DEMAND: 2006, 2011 AND 2016

Category	2006	2011	2016
Current Trade Area			
Convenience Goods	5	6	8
Shopping Goods	3	4	5
Other Retail Stores	2	3	3
Services	2	3	4
Health Care	4	5	6
Total	16	21	26
Supermarket Trade Area			
Convenience Goods	14	16	21
Shopping Goods	9	11	15
Other Retail Stores	6	8	9
Services	3	4	5
Health Care	3	4	5
Total	35	43	55

Source: McComb Group, Ltd.

It's unlikely that all of these store types with feasible sales potential are likely to locate in St. Joseph. On the other hand, store types that have not been identified may choose St. Joseph for a store location. However, growth is not going to stop in St. Joseph in 2016 and additional growth in the future will make it possible for additional stores to locate in St. Joseph. Therefore, these land area estimates appear reasonable to accommodate the 2011 and 2016 commercial land demand in St. Joseph.

Table 7-7

ST. JOSEPH CURRENT TRADE AREA SUPPORTABLE SPACE
BY MERCHANDISE CATEGORY
(Gross Leasable Area)

	Store Size					
Merchandise Category	High	Median	Low	2006	2011	2016
CONVENIENCE GOODS						
Food Stores						
Grocery stores	65,888	50,420	31,676			
Other specialty food stores	8,007	2,340	1,069	2,000	2,400	3,000
Other Convenience Goods						
Drug & proprietary stores	23,375	10,920	3,600	6,000	8,000	10,000
Hardware	25,845	13,200	7,791	3,000	4,000	4,700
Liquor	7,459	2,440	1,502	5,000	6,500	8,400
Florist		1,700		1,100	1,400	1,800
Subtotal				17,100	22,300	27,900
Food Service						
Full-service restaurants	9,775	5,204	2,000	9,500	11,500	15,000
Limited service restaurants	3,000	2,950	1,335	9,000	10,600	14,000
Snack & beverage places	2,495	1,578	850	1,000	1,200	1,500
Subtotal				19,500	23,300	30,500
Gasoline Svs Stations/Conv.						
Gas/Convenience food stores	6,571	2,000	1,451	11,500	13,500	16,006
SHOPPING GOODS						
General Merchandise						
Discount stores	118,690	52,650	24,780	15,000	18,000	24,000
Dollar store	12,319	7,500	3,000			5,000
Apparel & Accessories						
Clothing Stores						
Womens clothing	9,336	4,400	1,659	1,200	1,500	2,000
Family clothing	28,228	8,000	2,374	1,800	2,300	3,000
Furniture & Home Furnishings						
Furniture & Home Furnishings	35,421	7,916	2,385		3,600	5,000
Floor coverings	10,456	4,130	1,860		2,200	2,800
Electronics & Appliances Stores						
Radio, tv & electronics stores	32,475	2,700	2,000	2,600	3,300	4,500
Other Shopping Goods						
Sporting goods	42,954	8,465	1,745			
Book stores & newsdealers		3,008		500	600	800
Office supplies & stationery stores		3,124		600	800	1,000
Subtotal				21,700	32,300	48,100
OTHER RETAIL STORES						
Building Materials & Garden Supplies						
Building materials & supplies stores	144,720	99,470	3,409			
Lawn & garden equipment						
Outdoor power equipment				1,500	2,000	2,600
Retail nurseries, lawn & garden		15,000		6,000	8,000	10,000
Subtotal				7,500	10,000	12,600
Motor Vehicles & Parts Dealers						
Auto parts, accessories & tires						
Auto parts & accessories stores		6,500		9,000	11,000	15,000
Tire dealers		2,500		2,000	2,700	3,500
Subtotal				11,000	13,700	18,500
GRAND TOTAL				**88,300**	**115,100**	**153,606**

Source: McComb Group, Ltd.

Table 7-7 (cont.)

ST. JOSEPH CURRENT TRADE AREA SUPPORTABLE SPACE
BY SERVICES CATEGORY

(Gross Leasable Area)

Category	Store Size High	Store Size Median	Store Size Low	2006	2011	2016
SERVICES						
Personal Care Services						
Beauty shops/nail salons	2,474	1,400	924	3,000	4,000	5,100
Drycleaning & Laundry Services						
Coin-operated laundries & drycleaners	3,200	2,114	1,375	600	800	1,000
Drycleaning & laundry services (except coin-op.)	3,010	1,800	1,176	1,200	1,500	2,000
Other Personal Services	5,241	1,435	600	2,300	3,000	4,000
Recreation						
Physical fitness facilites	36,147	10,249	2,261	7,400	9,500	12,500
Professional Services	5,886	2,000	684	4,500	5,600	7,300
Automotive Repair and Maintenance						
Carwashes				605	765	1,010
Subtotal				19,605	25,165	32,910
MEDICAL						
Health Care						
Offices of physicians						
Offices of physicians (except mental health specialists)	5,168	1,800	990	9,000	12,000	15,000
Offices of dentists	5,168	1,800	990	3,600	4,500	6,000
Offices of other health practitioners						
Offices of chiropractors	5,168	1,600	990	1,000	1,100	1,400
Subtotal				13,600	17,600	22,400
Grand Total				**33,205**	**42,765**	**55,310**

Source: McComb Group, Ltd.

Table 7-7 (cont.)

ST. JOSEPH SUPERMARKET TRADE AREA SUPPORTABLE SPACE
BY MERCHANDISE CATEGORY
(Gross Leasable Area)

Merchandise Category	Store Size High	Store Size Median	Store Size Low	2006	2011	2016
CONVENIENCE GOODS						
Food Stores						
Grocery stores		42,228		53,000	60,000	75,000
Other specialty food stores		1,800		4,000	5,400	7,000
Other Convenience Goods						
Drug & proprietary stores		11,153		14,000	18,000	28,000
Hardware		7,857		5,800	7,500	9,500
Liquor		3,850		9,000	11,500	15,000
Florist		1,700		2,100	2,600	3,500
Subtotal				87,900	105,000	138,000
Food Service						
Full-service restaurants		4,950		15,000	19,000	25,000
Limited service restaurants		3,700		13,000	17,000	22,000
Snack & beverage places		1,500		1,800	2,200	3,000
Subtotal				29,800	38,200	50,000
Gasoline Svs Stations/Conv.						
Gas/Convenience food stores	6,571	2,000	1,451	14,500	17,500	21,000
SHOPPING GOODS						
General Merchandise						
Discount stores		110,000		34,700	43,500	56,800
Dollar store	12,319	7,500	3,000	10,000	13,000	17,000
Apparel & Accessories						
Clothing Stores						
Womens clothing	9,336	4,400	1,659	3,000	3,700	4,800
Family clothing	28,374	8,000	2,374	4,400	5,500	7,200
Furniture & Home Furnishings						
Furniture	35,421	4,916	2,385	6,900	8,600	11,200
Floor coverings	10,456	4,130	1,860	4,000	5,000	6,500
All other home furnishings stores	6,500	3,570	2,868	2,500	3,200	4,200
Electronics & Appliances Stores						
Radio, tv & electronics stores	32,475	2,700	2,000	6,500	8,000	10,400
Music, computers & other electronics	25,490	1,500	993	3,000	4,000	5,000
Other Shopping Goods						
Sporting goods	42,954	8,465	1,745	4,000	5,100	6,700
Book stores & newsdealers	31,149	10,075	2,266	1,200	1,500	1,900
Office supplies & stationery stores		3,124		1,500	2,000	2,500
Jewelry stores	2,505	1,500	521	1,100	1,300	1,800
Hobby, toy & game	2,960	1,400	1,200		2,500	3,300
Gift, novelty & souvenirs	8,486	4,200	1,434	2,000	2,400	3,000
Optical goods stores	3,809	1,925	1,033		1,500	1,500
Subtotal				84,800	110,800	143,800
OTHER RETAIL STORES						
Building Materials & Garden Supplies						
Building materials & supplies stores						
Home centers	144,720	99,470	3,409	18,600	24,000	30,000
Paint, glass & wallpaper	8,888	4,190	3,120	2,800	3,500	4,500
Lawn & garden equipment						
Outdoor power equipment				3,700	4,600	6,000
Retail nurseries, lawn & garden		15,000		15,000	15,000	15,000
Subtotal				40,100	47,100	55,500
Motor Vehicles & Parts Dealers						
Auto parts, accessories & tires						
Auto parts & accessories stores	13,000	6,000	2,232	13,000	21,000	21,000
Tire dealers	5,000	2,500	1,500	4,000	5,000	7,000
Subtotal				17,000	26,000	28,000
GRAND TOTAL				**274,100**	**344,600**	**436,300**

Source: McComb Group, Ltd.

Table 7-7 (cont.)

ST. JOSEPH SUPERMARKET TRADE AREA SUPPORTABLE SPACE
BY SERVICES CATEGORY

(Gross Leasable Area)

	Store Size					
Category	High	Median	Low	2006	2011	2016
SERVICES						
Personal Care Services						
Beauty shops/nail salons		1,400		4,200	5,000	6,300
Drycleaning & Laundry Services						
Coin-operated laundries & drycleaners		1,750		900	1,100	1,400
Drycleaning & laundry services (except coin-op.)		1,699		1,800	2,000	2,800
Other Personal Services		1,500		3,300	4,200	5,500
Other Services						
Formalwear & costume rental		1,400		143	183	234
Video tape and disc rental		6,000		2,333	2,926	3,822
Recreation						
Physical fitness facilites		11,100		10,000	10,000	17,000
Professional Services		2,000		6,500	8,200	11,000
Subtotal				29,176	33,609	48,056
MEDICAL						
Health Care						
Offices of physicians						
Offices of physicians (except mental health specialists)		1,800		19,000	24,000	30,000
Offices of dentists		1,800		5,000	7,000	8,000
Offices of other health practitioners						
Offices of chiropractors		1,600		1,700	2,100	2,600
Offices of optometrists		1,600		600	800	1,000
Physical & occupational therapists		1,600			1,700	2,200
Subtotal				26,300	35,600	43,800
Grand Total				**55,476**	**69,209**	**91,856**

Source: McComb Group, Ltd.

Chapter VIII

ST. JOSEPH MULTI-FAMILY HOUSING

St. Joseph's multi-family housing stock consists of market rate apartments, off-campus student housing, income restricted apartments, and senior housing. Multi-family communities with two to seven units were not inventoried for this analysis. St. Joseph currently has 330 rental apartment units in buildings with eight units or more as shown in Table 8-1.

Table 8-1

ST. JOSEPH MULTI-FAMILY RENTAL HOUSING

Apartment	Year	Units
Market Rate		
Wilshire Apartments	1968	34
The Loft Apartments	1973	12
Cloverdale Townhomes	1982	36
Meadowlark Apartments	1984	36
Boulder Ridge *	2004	44
Subtotal		162
Student Housing		
300-304 Old Hwy 52	N/A	8
Campus Park Villas	1994	39
St. Joseph Student Housing	1994	15
Subtotal		62
Income Restricted		
Hollow Park Apartments	N/A	12
Morningside Townhomes	2002	58
Subtotal		70
Senior Income Restricted		
St. Joseph Apartments	1988	16
Senior Assisted Living		
Arlington Place	1999	20
Totals		**330**

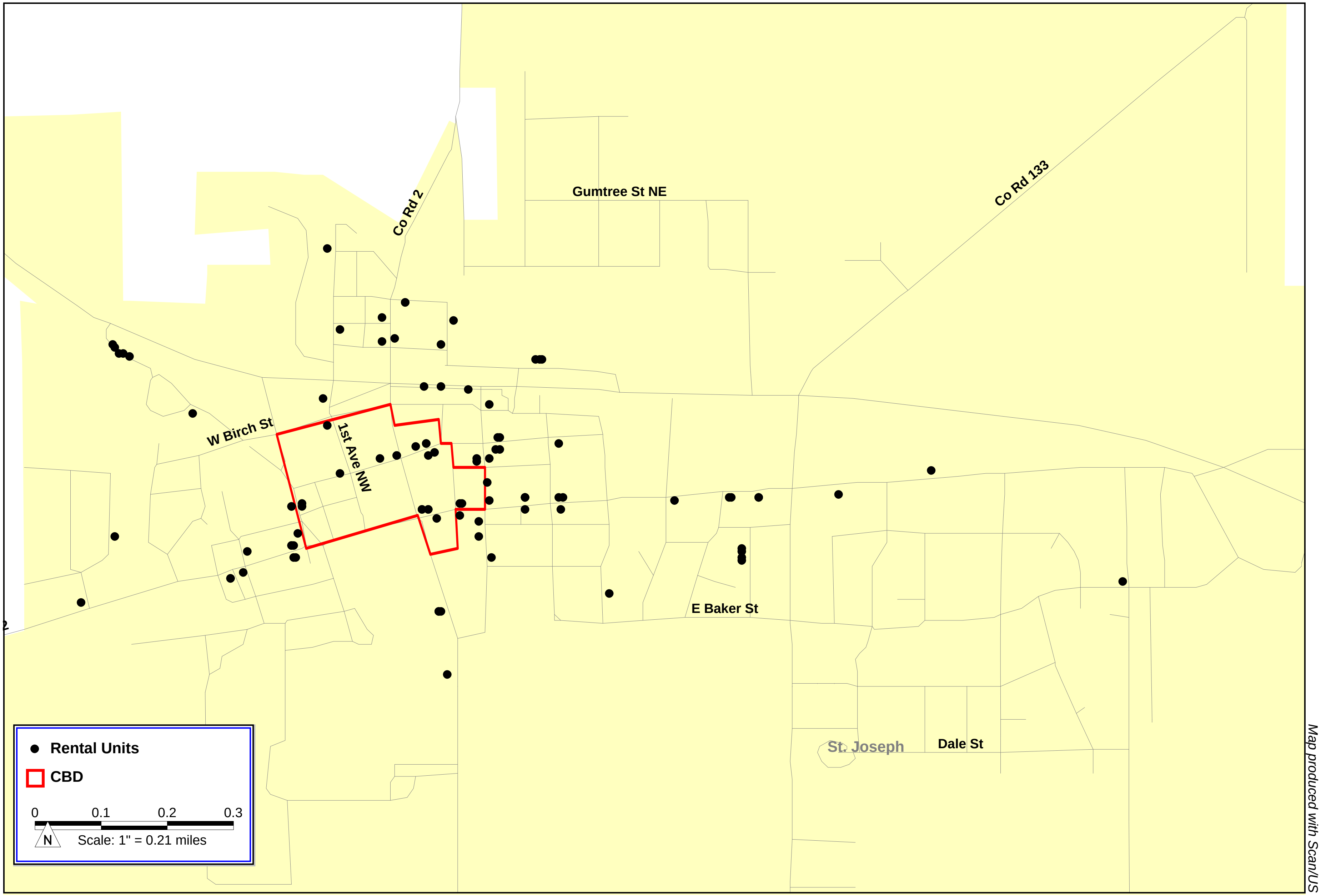
* Boulder Ridge rents 22 three-Bedroom units as student housing.
Source: McComb Group, Ltd.

Five market rate apartment communities contain 162 units or about half of the rental inventory. Wilshire Apartments are almost 40 years old; and Cloverdale Townhomes and Meadowlark Apartments are over 20 years old. Boulder Ridge, constructed in 2004, is the newest building. Boulder Ridge rents 22 units as student housing.

Student housing is the second largest rental category in St. Joseph. Three buildings with 62 student housing units were identified in St. Joseph. This does not include 22 units rented to students at Boulder Ridge. The Comprehensive Plan identified 104 rental units in single family homes in 2002. These properties are scattered throughout St. Joseph, but many are located in the CBD and the Highway 15 commercial area, as shown on Map 8-1. These units are occupied by students attending both Saint Benedict's and Saint John's. Assuming that 104 rental units still exist in single family homes, there are about 288 rental units occupied by students.

Map 8-1

STUDENT HOUSING RENTAL UNITS



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Income restricted rental units are represented by Hollow Park Apartments with 12 units and Morningside Townhomes, an attractive townhome community constructed in 2002, with 58 units for a total of 70 units.

Housing for seniors is provided by St. Joseph Apartments with 60 income restricted units constructed in 1988; and Arlington Place, constructed in 1999, which offers assisted living in 20 units.

Competitive Multi-Family Housing

Primary competition for St. Joseph market rate apartment communities is derived from Sartell and Waite Park. St. Joseph, with 162 units, has fewer units than either Sartell or Waite Park, as shown in Table 8-2. St. Joseph units are on average the oldest and Sartell has the newest apartment inventory. Sartell has 345 apartment units with the oldest building having been constructed in 1997 and two buildings that opened in 2007. Waite Park has the largest number of units with 792 apartments ranging in age from 31 to 9 years in age. Two bedroom units represent the largest proportion of the inventory ranging from 52 percent to 65 percent of the units. Twenty-two of Boulder Ridge three-bedroom units are rented to college students.

Table 8-2

ST. JOSEPH COMPETITIVE MARKET RATE APARTMENT COMMUNITIES

			Bedrooms			
Apartment	Date Constructed	Units	Studio	One Bedroom	Two Bedroom	Three Bedroom
St. Joseph						
Wilshire Apartments	1968	34		5	26	3
The Loft Apartments	1973	12		10	2	
Cloverdale Townhomes	1982	36			26	10
Meadowlark Apartments	1984	36			36	
Boulder Ridge	2004	44		6	15	23
Total		162		21	105	36
Percent				13.0 %	64.8 %	22.2 %
Sartell						
Meadowlawn Village	1997	95	2	26	57	10
Sundance Villa Townhome	2003	52			12	40
Keeneland Village	2005	55		6	37	12
Middletown Apartments	2007	74	9	25	35	5
Heritage Village	2007	69		22	38	9
Total		345	11	79	179 0	76
Percent			3.2 %	22.9 %	51.9 %	22.0 %
Waite Park						
Angushire Apartments	1974	76		13	53	10
The Legacy Apartments	1977	119		46	47	26
The Gatewood	1985	120		5	85	30
West Stonehill Apartments	1991	313		36	235	42
Parkbury Villa	1998	164	6	48	98	12
Total		792	6	148	518 0	120
Percent			0.8 %	18.7 %	65.4 %	15.2 %

Source: McComb Group, Ltd.

Unit sizes of St. Joseph apartments are compared with those in competitive communities in Table 8-3. Only Sartell and Waite Park have buildings with studio units and the sizes range from 340 to 513 square feet per unit. Two of the 17 studio units are vacant for an 11.8 percent vacancy rate.

St. Joseph has three properties with one bedroom units. The only vacancies are at Wilshire Apartments, where two of the five one bedroom units are vacant. The Wilshire Apartment one bedrooms are relatively small ranging from 620 to 630 square feet compared to 700 square feet at Boulder Ridge and 800 square feet at The Loft Apartments. Sartell apartment communities have 79 one bedroom units with 18 vacancies for a 22.8 percent vacancy rate. These vacancies, however, are concentrated in Middleton Apartments and Heritage Village, which opened in 2007. Unit sizes in Sartell range from 610 to 922 square feet for the one bedroom units. Waite Park has 148 one bedroom units with only two vacancies, a 1.3 percent vacancy rate. Unit sizes range from 630 to 760 square feet. In the one bedroom category, overall vacancy is 8.9 percent; however, 17 of the 22 vacancies are represented at the two newer buildings in Sartell.

Table 8-3

ST. JOSEPH MARKET RATE UNIT SIZE COMPARISON

Apartment	Year Built	Units	Vacant	Vacancy Percent	Square Foot Range Low	Square Foot Range High	Average
STUDIO							
Sartell							
Meadowlawn Village	1997	2	0	-	340	340	340
Middleton Apartments	2007	9	2	22.2 %	397	513	455
Waite Park							
Parkbury Villa	1998	6	0	-	350	350	350
Average Studio		17	2	11.8 %	362	401	382
ONE BEDROOM							
St. Joseph							
Wilshire Apartments	1968	5	2	40.0 %	620	630	625
The Loft Apartments	1973	10	0	-	800	800	800
Boulder Ridge	2004	6	0	-	700	700	700
Sartell							
Meadowlawn Village	1997	26	1	3.8 %	610	735	673
Keeneland Village	2005	6	0	-	700	700	700
Middleton Apartments	2007	25	12	48.0	660	790	725
Heritage Village	2007	22	5	22.7	640	922	781
Waite Park							
Legacy Apartments	1977	46	2	4.3 %	728	728	728
Angushire Apartments	1973	13	0	-	750	750	750
Gatewood Apartments	1986	5	0	-	760	760	760
West Stonehill	1991	36	0	-	650	650	650
Parbury Villa	1998	48	0	-	630	735	683
Average One Bedroom		248	22	8.9 %	687	742	715

Table 8-3 (cont.)

ST. JOSEPH MARKET RATE UNIT SIZE COMPARISON

Apartment	Year Built	Units	Vacant	Vacancy Percent	Square Foot Range Low	Square Foot Range High	Average
TWO BEDROOM							
St. Joseph							
Wilshire Apartments	1968	26	4	15.4 %	700	750	725
The Loft Apartments	1973	4	0	-	1,000	1,000	1,000
Cloverdale Townhomes	1982	26	0	-	800	800	800
Meadowlark Apartments	1984	36	0	-	750	850	800
Morningside Townhomes	2002	32	0	-	1,586	1,586	1,586
Boulder Ridge	2004	15	0	-	1,000	1,000	1,000
Sartell							
Meadowlawn Village	1997	57	1	1.8 %	936	1,250	1,093
Sundance Villa Townhome	2003	12	0	-	1,340	1,340	1,340
Keeneland Village	2005	37	0	-	860	1,227	1,044
Middleton Apartments	2007	35	23	65.7	926	1,116	1,021
Heritage Village	2007	38	8	21.1	922	1,874	1,398
Waite Park							
Legacy Apartments	1977	47	1	2.1 %	1,041	1,041	1,041
Angushire Apartments	1973	53	1	1.9	1,000	1,000	1,000
Gatewood Apartments	1986	85	5	5.9	810	810	810
West Stonehill	1991	235	2	0.9	950	1,130	1,040
Parkbury Villa	1998	98	0	-	912	1,250	1,081
Average Two Bedroom		836	45	5.4 %	971	1,127	1,049
THREE BEDROOM							
St. Joseph							
Wilshire Apartments	1968	3	0	- %	775	775	775
Cloverdale Townhomes	1982	10	0	-	900	900	900
Morningside Townhomes	2002	26	0	-	1,663	1,663	1,663
Boulder Ridge	2004	23	0	-	1,100	1,100	1,100
Sartell							
Meadowlawn Village	1997	10	0	- %	1,300	1,300	1,300
Sundance Villa Th	2003	40	0	-	1,452	1,568	1,510
Keeneland Village	2005	12	0	-	1,225	1,225	1,225
Middleton Apartments	2007	5	3	60.0	1,268	1,372	1,320
Heritage Village	2007	9	2	22.2	1,072	1,292	1,182
Waite Park							
Legacy Apartments	1977	26	2	7.7 %	1,160	1,400	1,280
Angushire Apartments	1973	10	0	-	1,500	1,500	1,500
Gatewood Apartments	1986	30	2	6.7	1,150	1,150	1,150
West Stonehill	1991	42	1	2.4	1,200	1,200	1,200
Parkbury Villa	1998	12	0	-	1,300	1,320	1,310
Average Three Bedroom		258	10	3.9 %	1,219	1,269	1,244

Source: McComb Group, Ltd.

Two bedroom units in St. Joseph enjoy a high level of occupancy with only four vacant units, at Wilshire Apartment, for a vacancy rate of 2.9 percent. Two bedroom units in St. Joseph range from 700 to 1,586 square feet at Morningside Townhomes. Sartell has a higher level of vacancy in two bedroom units, primarily due to Middleton Apartments and Heritage Village. Among the older buildings, the vacancy rate is extremely low. Unit sizes in Sartell range from 860 square feet to 1,340 square feet at Sundance Villa Townhomes. Waite Park has nine vacant two bedroom units for a 1.7 percent vacancy rate. Vacancy in the two bedroom units is 5.4 percent with Middleton Apartments and Heritage Village in Sartell representing two-thirds of that vacancy.

Three bedroom occupancy is extremely high with only ten vacant units in the three apartment communities or a 3.9 percent vacancy. Half of this vacancy, or five units, is represented by Middleton Apartments and Heritage Village in Sartell. Unit sizes in St. Joseph range from 775 at Wilshire Apartments to 1,663 square feet at Morningside Townhomes. The newer apartment communities in Sartell have the largest average two bedroom sizes ranging from 1,072 square feet at Heritage Village to over 1,568 square feet at Sundance Townhomes.

Rental rate comparisons for St. Joseph and competing communities are contained in Table 8-4. Sartell and Waite Park apartment communities contain 17 studio units renting from $395 to $500 per month. Rental rates range from $1.13 per square foot to $1.59 per square foot.

Table 8-4

ST. JOSEPH MARKET RATE RENTAL COMPARISON

Apartment	Year Built	Units	Rent Range Low	Rent Range High	Average	Rent per Sq. Ft. Low	Rent per Sq. Ft. High	Average
STUDIO								
Sartell								
Meadowlawn Village	1997	2	$ 395	$ 395	$ 395	$ 1.16	$ 1.16	$ 1.16
Middleton Apartments	2007	9	450	500	475	0.97	1.13	1.05
Waite Park								
Parkbury Villa	1998	6	$ 405	$ 415	$ 410	$ 1.16	$ 1.19	$ 1.17
Average Studio		17	$ 417	$ 437	$ 427	$ 1.10	$ 1.16	$ 1.13
ONE BEDROOM								
St. Joseph								
Wilshire Apartments	1968	5	$ 490	$ 525	$ 508	$ 0.79	$ 0.83	$ 0.81
The Loft Apartments	1973	10	450	450	450	0.56	0.56	0.56
Boulder Ridge	2004	6	590	590	590	0.84	0.84	0.84
Sartell								
Meadowlawn Village	1997	26	$ 510	$ 550	$ 530	$ 0.84	$ 0.90	$ 0.87
Keeneland Village	2005	6	595	625	610	0.85	0.89	0.87
Middleton Apartments	2007	25	595	595	595	0.75	0.90	0.83
Heritage Village	2007	22	650	670	660	0.73	1.02	0.88
Waite Park								
Legacy Apartments	1977	46	$ 580	$ 580	$ 580	$ 0.80	$ 0.80	$ 0.80
Angushire Apartments	1973	13	550	550	550	0.73	0.73	0.73
Gatewood Apartments	1986	5	525	525	525	0.69	0.69	0.69
West Stonehill	1991	36	560	560	560	0.86	0.86	0.86
Parbury Villa	1998	48	535	582	559	0.79	0.85	0.82
Average One Bedroom		248	$ 553	$ 567	$ 560	$ 0.77	$ 0.82	$ 0.80

Table 8-4 (cont.)

ST. JOSEPH MARKET RATE RENTAL COMPARISON

Apartment	Year Built	Units	Rent Range Low	Rent Range High	Average	Rent per Sq. Ft. Low	Rent per Sq. Ft. High	Average
TWO BEDROOM								
St. Joseph								
Wilshire Apartments	1968	26	$ 550	$ 580	$ 565	$ 0.77	$ 0.79	$ 0.78
The Loft Apartments	1973	4	900	900	900	0.90	0.90	0.90
Cloverdale Townhomes	1982	26	608	608	608	0.76	0.76	0.76
Meadowlark Apartments	1984	36	535	535	535	0.63	0.71	0.67
Boulder Ridge	2004	15	695	715	705	0.70	0.72	0.71
Sartell								
Meadowlawn Village	1997	57	$ 665	$ 850	$ 758	$ 0.68	$ 0.71	$ 0.70
Sundance Villa TH	2003	12	1,085	1,085	1,085	0.81	0.81	0.81
Keeneland Village	2005	37	835	835	835	0.68	0.97	0.83
Middleton Apartments	2007	35	765	765	765	0.69	0.83	0.76
Heritage Village	2007	38	740	845	793	0.45	0.80	0.63
Waite Park								
Legacy Apartments	1977	47	$ 685	$ 685	$ 685	$ 0.66	$ 0.66	$ 0.66
Angushire Apartments	1973	53	660	660	660	0.66	0.66	0.66
Gatewood Apartments	1986	85	610	670	640	0.75	0.83	0.79
West Stonehill	1991	235	645	785	715	0.68	0.69	0.69
Parkbury Villa	1998	98	665	775	720	0.62	0.73	0.68
Average Two Bedroom		804	$ 710	$ 753	$ 731	$ 0.70	$ 0.77	$ 0.73
THREE BEDROOM								
St. Joseph								
Wilshire Apartments	1968	3	$ 600	$ 600	$ 600	$ 0.77	$ 0.77	$ 0.77
Cloverdale Townhomes	1982	10	645	645	645	0.72	0.72	0.72
Boulder Ridge	2004	23	895	895	895	0.81	0.81	0.81
Sartell								
Meadowlawn Village	1997	10	$ 795	$ 895	$ 845	$ 0.61	$ 0.69	$ 0.65
Sundance Villa Th	2003	40	995	1,065	1,030	0.68	0.69	0.69
Keeneland Village	2005	12	935	935	935	0.76	0.76	0.76
Middleton Apartments	2007	5	895	895	895	0.65	0.71	0.68
Heritage Village	2007	9	975	995	985	0.77	0.91	0.84
Waite Park								
Legacy Apartments	1977	26	$ 790	$ 790	$ 790	$ 0.56	$ 0.68	$ 0.62
Angushire Apartments	1973	10	815	865	840	0.54	0.58	0.56
Gatewood Apartments	1986	30	795	795	795	0.69	0.69	0.69
West Stonehill	1991	42	775	775	775	0.65	0.65	0.65
Parkbury Villa	1998	12	865	865	865	0.66	0.67	0.67
Average Three Bedroom		232	$ 829	$ 847	$ 838	$ 0.68	$ 0.72	$ 0.70

Source: McComb Group, Ltd.

Monthly rents for one bedroom units in St. Joseph range from $450 to $590 or $0.56 to $0.84 per square foot. Boulder Ridge has the highest rental rates. Rental rates in Sartell range from $520 to $670 per month. Rental rates per square foot range from $0.73 to $1.02 per month. One bedroom rents in Waite Park generally fall between St. Joseph and Sartell and arrange from $525 to $582 per month or $0.69 to $0.86 per square foot.

Two bedroom rents in St. Joseph range from $550 to $900 per month with The Loft Apartments having the highest monthly rents. This may reflect student rental rates. Monthly rental rates per square foot range from $0.70 to $0.90 per square foot per month. Sartell, which has the newest units, has the highest average monthly rental rates ranging from $665 per month to $1,085. Rental rates per square foot range from $0.63 per square foot to $0.97 per square foot. Waite Park two bedroom units rents range from $610 to $785 per month. Rents per square foot range from $0.66 per square foot to $0.83 per square foot.

Among three bedroom units, St. Joseph has the lowest monthly rental rates ranging from $600 to $895 per month. Rents per square foot range from $0.72 to $0.81 per square foot. Sartell three bedroom rents are among the highest in the competitive communities ranging from $795 per month to $1,065 per month. Rents per square foot range from $0.61 to $0.91 per square foot. Waite Park rents fall in between St. Joseph and Sartell ranging from $790 to $865 per month and $0.54 to $0.67 per square foot.

Apartment unit features, contained in Table 8-5, demonstrate that the St. Joseph apartments offer fewer unit features than most of the competitive buildings in Sartell and Waite Park. Competitive apartment building features, contained in Table 8-6, also reflect that buildings in St. Joseph offer fewer building amenities than many of the competitive apartment communities in Sartell and Waite Park.

The disparity in rental rates between St. Joseph apartment communities and those in Sartell and Waite Park are due primarily to the older age of the building, smaller unit size, and fewer unit features and building amenities.

Student Housing

St. Joseph has five buildings that accommodate students, including Boulder Ridge and The Loft Apartments. Three of the buildings, Campus Park Villas, St. Joseph Housing, and 300-304 Old Highway 52, appear to have been constructed to accommodate students and have primarily four and five bedroom units, as shown in Table 8-7. Boulder Ridge has dedicated 22 three bedroom units to student housing. 300-304 Old Highway 52 was renovated in 2005. Management of The Loft indicates most of their tenants are students. St. Joseph student housing apartments house students at both Saint Benedict's and Saint John's.

Table 8-7

ST. JOSEPH STUDENT HOUSING

Apartment	Date Constructed	Units	Bedrooms: Three Bedroom	Bedrooms: Four Bedroom	Bedrooms: Five Bedroom
Campus Park Villas	1994	39		39	
St. Joseph Student Housing	1994	15	1		14
Boulder Ridge	2004	22	22		
300-304 Old Hwy 52	2005R	8		8	
Total		84	23	47	14

Source: McComb Group, Ltd.

Table 8-5

ST. JOSEPH COMPETITIVE APARTMENT UNIT FEATURES

	St. Joseph					Sartell					Waite Park				
Amenities	Wilshire Apartments	Cloverdale Townhouse	Meadowlark Apartments	Boulder Ridge	The Loft	Meadowlawn Village	Sundance Villa	Keeneland Village	Middletown Apartments	Heritage Village	Angushire Apartments	West Stonehill	The Legacy	The Gatewood	Parkbury Villa
Air Conditioner	X			X	X	X	X	X	X	X	X	X	X	X	X
Breakfast Bar								X				X		X	
Cable Included					X										
Cable TV Ready	X					X	X	X		X	X	X	X	X	X
Carpet	X			X		X	X	X	X		X	X	X	X	X
Ceiling Fan											X				
Ceramic Tiles						X	X								X
Dishwasher			X	X			X	X	X		X	X	X	X	X
Disposal			X								X		X	X	
Fireplace						X	X								X
Frost Free Refrigerator						X	X						X		
Full-Sized Laundry							X	X		X		X			
Handicap Accessible						X							X	X	X
Hardwood Floors											X				
Hook-Ups Provided						X									X
Kitchen Eating Area															
Granite Counter tops															
Microwave				X		X	X			X	X				
Oak Cabinetry						X	X	X						X	X
Patio/Balcony				X	X	X	X	X	X	X	X	X	X	X	X
Stackable Laundry				X					X						
Stainless Steel Appl.															
Vaulted Ceiling						X	X								
View of Lake/River															
Walk-In Closet								X		X	X	X		X	X
Window Treatments					X	X	X	X		X	X		X	X	X

Source: McComb Group, Ltd.

Table 8-6

ST. JOSEPH COMPETITIVE APARTMENT BUILDING AMENITIES

	St. Joseph					Sartell						Waite Park			
Amenities	Wilshire Apartments	Cloverdale Townhouse	Meadowlark Apartments	Boulder Ridge	The Loft	Meadowlawn Village	Sundance Villa	Keeneland Village	Heritage Village	Middletown Apartments	Angushire Apartments	The Legacy	The Gatewood	West Stonehill	Parkbury Villa
Basketball											X				
BBQ Grill(s)											X	X	X	X	
Business Center								X							
Concierge															
Controlled Entrance			X	X		X		X	X	X	X	X	X	X	X
Elevator						X		X	X	X		X		X	X
Exercise/Fitness Room								X	X	X	X	X		X	X
Garage Included															
Game Room															
Guest Room															
High Speed Internet						X	X	X			X	X	X	X	X
Indoor Pool											X				
Jacuzzi/Spa										X	X	X			X
Jogging Trail															
Laundry Facility	X				X	X					X	X	X		X
Movie Theater															
On Bus Line											X	X	X	X	X
On-Site Management						X		X				X	X	X	X
Outdoor Pool												X	X	X	
Outdoor Whirlpool															
Parking - Attached							X			X					
Parking - Detached	X		X	X		X		X		X	X	X	X	X	X
Parking - Underground															
Party Room						X		X	X	X	X	X		X	X
Pets Welcome			X				X	X			X	X		X	
Picnic Area	X										X	X	X	X	
Private Entry						X	X								
Playground											X	X	X	X	
Sauna											X				X
Storage Lockers											X				
Tanning Bed															
Tennis															
Volleyball															

Source: McComb Group, Ltd.

Student housing in St. Joseph consists primarily of three, four and five bedroom units, as shown in Table 8-8. The three bedroom unit at St. Joseph Student Housing is 1,200 square feet and the Boulder Ridge units are 1,100 square feet. Four bedroom units are 1,500 square feet at 300-304 Old Highway 52 and 1,000 square feet at Campus Park Villas. Five bedroom units at St. Joseph Housing are 1,540 square feet. Student housing in St. Joseph appears to operate at 100 percent occupancy.

Table 8-8

ST. JOSEPH STUDENT HOUSING AVERAGE UNIT SIZE AND VACANCY

Apartment	Year Built	Units	Vacant	Vacancy Percent	Square Feet
THREE BEDROOM					
St. Joseph Student Housing	1994	1	0	- %	1,200
Boulder Ridge	2004	22	0	-	1,100
Average Three Bedroom		23	0	- %	1,150
FOUR BEDROOM					
300-304 Old Hwy 52	2005	8	0	- %	1,500
Campus Park Villas	1994	39	0	-	1,000
Average Four Bedroom		47	0	- %	1,250
FIVE BEDROOM					
St. Joseph Student Housing	1994	14	0	- %	1,540

Source: McComb Group, Ltd.

Rental rates for student housing are generally per bedroom per month for a ten month period or twelve months depending on the tenant's desire. Three bedroom units rent for $399 and $425 per bedroom per month, which is $1,197 to $1,275 per unit or $1.06 and $1.09 per square foot. Rents for four bedroom units are $325 and $395 per bedroom. Monthly rents at 300-304 Old Highway 52 are $1,300 ($0.87 per square foot) and Campus Park Villas reports $1,185 ($1.19 per square foot), which is lower than the per bedroom rate. Five bedroom units at St. Joseph Housing rent for $425 per bedroom or $2,125 ($1.38 per square foot) per unit. Student housing rents per square foot are significantly higher than market rate apartments, but the maintenance costs are higher and rentals are generally for ten or twelve months, which results in summer vacancies.

Table 8-9

ST. JOSEPH STUDENT HOUSING AVERAGE RENTAL RATES

Apartment	Year Built	Units	Student Rate	Monthly Rent	Rent per Sq. Ft.
THREE BEDROOM					
St. Joseph Student Housing	1994	1	$ 425	$ 1,275	$ 1.06
Boulder Ridge	2004	22	399	1,197	1.09
Average Three Bedroom		23	$ 412	$ 1,236	$ 1.08
FOUR BEDROOM					
300-304 Old Hwy 52	2005R	8	$ 325	$ 1,300	$ 0.87
Campus Park Villas	1994	39	395	1,185	1.19
Average Four Bedroom		47	$ 360	$ 1,243	$ 1.03
FIVE BEDROOM					
St. Joseph Student Housing	1994	14	$ 425	$ 2,125	$ 1.38

R: Renovated.
Source: McComb Group, Ltd.

St. Cloud is not really competitive, but it provides market comparables for student housing. Twenty-four buildings were identified in St. Cloud near the St. Cloud State University campus that accommodates students. These buildings contain 616 units, as shown in Table 8-10. Over half (323) are four bedroom units. Two bedroom units are the next largest category with 143 or 23 percent of the inventory. Eighty-four one bedroom units represent 13.6 percent of the inventory and 62 three bedroom units account for 10.1 percent.

Table 8-10

ST. CLOUD STUDENT HOUSING

Apartment	Year Built	Units	Studio	Bedrooms: One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
Campus Heights	N/A	13		1			12
Campus Knoll	N/A	25		1		24	
Campus Knoll II	N/A	25	1	1			23
Campus Square	N/A	17		7			10
Campus Terrace	N/A	10		1			9
Forestview	N/A	128		64	64		
Michigan Place	N/A	48		4	34	10	
Campus Edge	N/A	12					12
Campus Edge II	N/A	14			14		
Campus Ridge	N/A	15			5		10
Prairie Home	N/A	24			24		
Campus Corner	N/A	18					18
Campus Park	N/A	8					8
Campus Plaza	N/A	6					6
Campus View	N/A	12					12
Collegeview	N/A	12					12
Cornerstone	1980	6					6
Campus Center	1980	27	3	2	2		20
Campus Side	1980	12					12
University Square I	1980	8					8
University Park Place	1981	9				1	8
University Village TH	1990	127		3		11	113
North Campus Apartments	1990	22				8	14
Bridgeport	1992	18				8	10
Subtotal		616	4	84	143	62	323

N/A: Not available.
Source: McComb Group, Ltd.

In St. Cloud, studio units range from 400 to 480 square feet; while one bedroom units range from 475 to 525 square feet per unit, as shown in Table 8-11. Two bedroom units range from 570 square feet to 850 square feet per unit; while three bedroom units range from 980 square feet to 1,800 square feet. Four bedroom units range from 1,100 square feet to 2,000 square feet. All of the St. Cloud student housing properties reported 100 percent occupancy.

Monthly bedroom rents vary by unit size in St. Cloud student housing, as shown in Table 8-12. One bedroom units range from $420 to $495 per month or $0.88 to $0.99 per square foot. Two bedroom rents range from $265 to $360 per month per bedroom or $530 to $720 per month ($0.76 to $0.96 per square foot) per unit. Bedroom rents in three bedroom units range from $245 to $285 per month. Unit rents range from $735 to $855 per month or $0.53 to $0.86 per square foot. Monthly rates per bedroom for four bedroom units cover a broad range from $220 to $305 or $880 to $1,220 per month per unit or $0.57 to $1.06 per square foot.

Table 8-11

ST. CLOUD STUDENT HOUSING AVERAGE UNIT SIZE AND VACANCY

Apartment	Year Built	Units	Vacant	Vacancy Percent	Sq. Ft. Range Low	Sq. Ft. Range High	Average
STUDIO							
Campus Knoll II	N/A	1	0	- %	400	400	400
Campus Center	1980	3	0	-	480	480	480
University Village	1980	4	0	-	400	400	400
Average Studio		8	0	- %	440	440	440
ONE BEDROOM							
Campus Heights	N/A	1	0	- %	500	500	500
Campus Knoll	N/A	1	0	-	500	500	500
Campus Knoll II	N/A	1	0	-	500	500	500
Campus Square	N/A	7	0	-	500	500	500
Campus Terrace	N/A	1	0	-	500	500	500
Forestview	N/A	64	0	-	500	525	513
Michigan Place	N/A	4	0	-	500	500	500
Campus Center	1980	2	0	-	500	500	500
University Village TH	1990	3	0	-	475	475	475
Average One Bedroom		84	0	- %	497	500	499
TWO BEDROOM							
Campus Edge II	N/A	14	0	- %	570	570	570
Campus Ridge	N/A	5	0	-	850	850	850
Forestview	N/A	64	0	-	700	700	700
Michigan Place	N/A	34	0	-	700	700	700
Prairie Home	N/A	24	0	-	700	700	700
Campus Center	1980	2	0	-	750	750	750
Average One Bedroom		143	0	- %	712	712	712
THREE BEDROOM							
Campus Knoll	N/A	24	0	- %	980	980	980
Michigan Place	N/A	10	0	-	1,100	1,100	1,100
University Park Place	1981	1	0	-	980	980	980
University Village TH	1990	11	0	-	1,400	1,400	1,400
North Campus Apts	1990	8	0	-	1,800	1,800	1,800
Bridgeport	1992	8	0	-	1,800	1,800	1,800
Average Three Bedroom		62	0	- %	1,343	1,343	1,343
FOUR BEDROOM							
Campus Corner	N/A	18	0	- %	1,120	1,250	1,185
Campus Edge	N/A	12	0	-	1,150	1,150	1,150
Campus Heights	N/A	12	0	-	1,200	1,200	1,200
Campus Knoll II	N/A	23	0	-	1,100	1,100	1,100
Campus Park	N/A	8	0	-	1,150	1,150	1,150
Campus Plaza	N/A	6	0	-	1,200	1,200	1,200
Campus Ridge	N/A	10	0	-	1,150	1,150	1,150
Campus Square	N/A	10	0	-	1,150	1,150	1,150
Campus Terrace	N/A	9	0	-	1,150	1,200	1,175
Campus View	N/A	12	0	-	1,150	1,150	1,150
Collegeview	N/A	12	0	-	1,200	1,200	1,200
Cornerstone	1980	6	0	-	1,200	1,200	1,200
Campus Center	1980	20	0	-	1,200	1,200	1,200
Campus Side	1980	12	0	-	1,150	1,150	1,150
University Square I	1980	8	0	-	1,200	1,200	1,200
University Park Place	1981	8	0	-	1,200	1,200	1,200
North Campus Apts	1990	14	0	-	2,000	2,000	2,000
University Village TH	1990	113	0	-	1,400	1,400	1,400
Bridgeport	1992	10	0	-	2,000	2,000	2,000
Average Four Bedroom		323	0	- %	1,267	1,276	1,272

Source: McComb Group, Ltd.

Table 8-12

ST. CLOUD STUDENT HOUSING AVERAGE MONTHLY RENTAL RATES

Apartment	Units	Average Bedroom Rate	Average Rent	Average Rent per Sq. Ft.
STUDIO				
Campus Knoll II	1	$ 350	$ 350	$ 0.88
Campus Center	3	455	455	0.95
University Village	4	375	375	0.94
Average Studio	8	$ 393	$ 393	$ 0.92
ONE BEDROOM				
Campus Heights	1	$ 455	$ 455	$ 0.91
Campus Knoll	1	455	455	0.91
Campus Knoll II	1	455	455	0.91
Campus Square	7	495	495	0.99
Campus Terrace	1	450	450	0.90
Forestview	64	480	480	0.94
Michigan Place	4	495	495	0.99
Campus Center	2	455	455	0.91
University Village TH	3	420	420	0.88
Average One Bedroom	84	$ 462	$ 462	$ 0.93
TWO BEDROOM				
Campus Edge II	14	$ 275	$ 550	$ 0.96
Campus Ridge	5	360	720	0.85
Forestview	64	265	530	0.76
Michigan Place	34	300	600	0.86
Prairie Home	24	300	600	0.86
Campus Center	2	335	670	0.89
Average Two Bedroom	143	$ 306	$ 612	$ 0.86
THREE BEDROOM				
Campus Knoll	24	$ 283	$ 848	$ 0.86
Michigan Place	10	270	810	0.74
University Park Place	1	270	810	0.83
University Village TH	11	245	735	0.53
North Campus Apts	8	285	855	0.48
Bridgeport	8	285	855	0.48
Average Three Bedroom	62	$ 273	$ 819	$ 0.65
FOUR BEDROOM				
Campus Corner	18	$ 285	$ 285	$ 0.24
Campus Edge	12	295	1,140	0.99
Campus Heights	12	220	880	0.73
Campus Knoll II	23	245	980	0.89
Campus Park	8	295	1,180	1.03
Campus Plaza	6	260	1,040	0.87
Campus Ridge	10	245	980	0.85
Campus Square	10	295	1,180	1.03
Campus Terrace	9	240	960	0.82
Campus View	12	290	1,160	1.01
Collegeview	12	285	1,140	0.95
Cornerstone	6	240	960	0.80
Campus Center	20	305	1,220	1.02
Campus Side	12	305	1,220	1.06
University Square I	8	250	1,000	0.83
University Park Place	8	270	1,080	0.90
North Campus Apts	14	285	1,140	0.57
University Village TH	113	245	980	0.70
Bridgeport	10	285	1,140	0.57
Average Four Bedroom	323	$ 271	$ 1,035	$ 0.83

Source: McComb Group, Ltd.

Condominiums and Townhomes

Sales prices for condominiums and townhomes in the St. Cloud area are contained in Table 8-13. One transaction for a two bedroom, two bath unit at Arlington Place Townhomes occurred at $208,485 or $137.16 per square foot. Townhomes at Westwood Village sold at prices between $120,500 and $130,000. The average price for a three bedroom, one bath was $131.01 per square foot compared to $95.17 for a three bedroom, two bath unit.

Table 8-13

CONDOMINIUMS AND TOWNHOME SALES PRICES; 2006 TO 2007

	Square	Sales Price		Price Per Sq. Ft.		
Development	Feet	Low	High	Low	High	Avg.
TOWNHOMES						
Arlington Place Townhomes						
Two Bedroom, 2 Bath	1,520	$ 208,485	$ 208,683	$ 137.16	$ 137.29	$ 137.23
Westwood Village Townhomes						
Two Bedroom, 1 Bath	932	$ 120,500	$ 123,700	$ 129.29	$ 132.73	$ 131.01
Three Bedroom, 2 Bath	1,366	130,000	130,000	95.17	95.17	95.17
CONDOMINIUMS						
Boulder Ridge Estates						
Two Bedroom, 2 Bath	1,387	$ 130,705	$ 150,045	$ 94.24	$ 108.18	$ 101.21
Three Bedroom, 2 Bath	1,678	157,000	168,700	93.56	100.54	97.05
Liberty Glen						
Two Bedroom, 1 Bath	1,174	$ 159,650	$ 180,054	$ 135.99	$ 153.37	$ 144.68
Three Bedroom, 2 Bath	1,740	181,779	181,799	104.47	104.48	104.48
Meadows Edge						
Two Bedroom, 1 Bath	1,044	$ 101,900	$ 129,900	$ 97.61	$ 124.43	$ 111.02
Three Bedroom, 2 Bath	1,376	132,900	142,349	96.58	103.45	100.02
Mill Stream Lofts*						
One Bedroom, 1 Bath	569	$ 99,700	$ 99,700	$ 175.22	$ 175.22	$ 175.22
One Bedroom-Den, 1 Bath	775	114,900	114,900	148.26	148.26	148.26
Two Bedroom, 1 Bath	857	129,900	129,900	146.95	159.98	151.74

* Purchase Agreements.
Source: McComb Group, Ltd., Multiple Listing Service.

Condominium prices range from $97.05 per square foot to $144.68 per square foot for a two bedroom, one bath unit at Liberty Glen. Places at Mill Stream Lofts in St. Joseph range from $99,700 to $129,900 per unit. The per square foot prices range from $148.26 to $175.22. The higher prices per square foot than other condominium projects results from the smaller unit size, which ranges from 569 square feet to 857 square feet.

Building Permit History

Residential building permits for St. Cloud area communities in Stearns County are contained in Table 8-14. During the seven year period from 2000 to 2006, 6,985 building permits were issued. The largest umber of building permits (1,924) occurred in 2002 when St. Cloud issued permits for 1,321 units, 951 of which were for multi-family developments. During this period, St. Joseph issued 625 building permits or 7.7 percent of the total. Building permits issued by St. Joseph accelerated in 2003 to 158 units. During the last four years, St. Joseph has issued 489 building permits, which represents 11.7 percent of the areas 4,195 building permits. This is an average of 122 units per year and an increase from an average of 45 units in the previous three-year period.

Table 8-14

ST. CLOUD AREA
NEW RESIDENTIAL BUILDING PERMIT ACTIVITY; 2000 TO 2006

City	2000	2001	2002	2003	2004	2005	2006	Total
Building Permits								
St. Joseph	23	55	58	158	69	185	77	625
Sartell	258	253	381	389	263	325	323	2,192
St. Cloud	263	385	1,321	476	389	371	535	3,740
Waite Park	81	74	92	101	43	23	14	428
Total	625	767	1,852	1,124	764	904	949	6,985
Distribution								
St. Joseph	3.7 %	7.2 %	3.1 %	14.1 %	9.0 %	20.5 %	8.1 %	8.9 %
Sartell	41.3	33.0	20.6	34.6	34.4	36.0	34.0	31.4
St. Cloud	42.1	50.2	71.3	42.3	50.9	41.0	56.4	53.5
Waite Park	13.0	9.6	5.0	9.0	5.6	2.5	1.5	6.1
Total	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Includes both single family and multi family new residential units.
Source: Cities of St. Joseph, Sartell, Sauk Rapids, St. Cloud and Waite Park.

Both single family and multi-family building permits have accelerated in St. Joseph over the past four years, as shown in Table 8-15. During this period, 413 single family building permits were issued which represented 14.4 percent of the St. Cloud area single family building permits. Two developments in St. Joseph were issued multi-family building permits for 76 units, which represented 6.6 percent of the St. Cloud area's 1,271 multi-family units. St. Cloud issued the largest number of building permits. During the period of 2003 to 2006, St. Cloud issued 1,188 building permits or 41.4 percent of the total single family units. St. Cloud multi-family building permits represented 623 units or 49 percent of the multi-family units. Sartell was the second largest issuer of building permits with 773 single family and 527 multi-family units. This places St. Joseph third in the production of housing replacing Sauk Rapids where residential building activity has declined.

Table 8-15

ST. CLOUD AREA
SINGLE FAMILY AND MULTI-FAMILY BUILDING PERMITS; 2003 TO 2006

City	2003	2004	2005	2006	Total
Single Family					
St. Joseph	114	69	153	77	413
Sartell	209	202	239	123	773
St. Cloud	377	295	309	207	1,188
Waite Park	101	43	23	14	181
Total	801	609	724	421	2,555
Multi-Family					
St. Joseph	44	-	32	-	76
Sartell	180	61	86	200	527
St. Cloud	139	94	62	328	623
Waite Park	-	-	-	-	-
Total	363	155	180	528	1,226

Source: Cities of St. Joseph, Sartell, Sauk Rapids, St. Cloud and Waite Park.

During the last four years, single family permits have represented 85 percent of St. Joseph housing units and multi-family units were 15 percent. In contrast, in Sartell single family units represented 60 percent and multi-family units were 40 percent. In St. Cloud, single family units were 65 percent and multi-family accounted for 35 percent.

Future Multi-Family Demand

Future housing growth in the St. Cloud area will be dependent on population growth and household formations. Stearns County had an estimated 55,790 households in 2006 and is expected to increase to 62,599 in 2011, a growth rate of 2.33 percent annually. Between 2011 and 2016, Stearns County households are estimated to increase to 69,795, a growth rate of about 2.2 percent. During the period 2000 to 2006, the Cities of St. Joseph, Sartell, St. Cloud and Waite Park issued building permits for 6,985 residential units. Between 2000 and 2006, Stearns County households increased from 47,604 in 2000 to 55,790, an increase of 8,186 households. Building permits in St. Cloud, St. Joseph, Sartell and Waite Park represented 85.3 percent of the household increase. This indicates that these four cities are capturing about 85 percent of the Stearns County residential growth.

Estimated baseline multi-family demand is shown in Table 8-16. Stearns County households are estimated to increase by 1,331 between 2007 and 2008. Assuming 85 percent of those households are located in the four St. Cloud area cities, results in an estimated 1,131 new households. Over the past six years, multi-family building permits in the four communities captured about 31 percent of the households. The multi-family units, particularly rental units, are expected to increase in proportion to single family homes as a result of stricter mortgage underwriting standard, which will reduce demand for single family homes. As a result, it is assumed that about one-third of the new housing units will be rental housing. Other the past four years, St. Joseph has captured about 6.6 percent of the multi-family building permits.

Table 8-16

ST. JOSEPH ESTIMATED BASELINE MULTI-FAMILY DEMAND; 2007 TO 2016

Year	Households	Increase	St. Cloud Area 85%	St. Cloud Area	St. Joseph 7%	St. Joseph 10%
2007	57,089					
2008	58,420	1,331	1,131	377	26	38
2009	59,781	1,361	1,157	385	27	39
2010	61,174	1,393	1,184	394	28	39
2011	62,599	1,425	1,211	403	28	40
2012	63,977	1,378	1,171	390	27	39
2013	65,384	1,407	1,196	398	28	40
2014	66,822	1,438	1,222	407	28	41
2015	68,292	1,470	1,250	416	29	42
2016	69,795	1,503	1,278	425	30	43

Source: McComb Group, Ltd.

If St. Joseph maintains its current multi-family building permits, this would result in a baseline absorption of 26 units in 2008 increasing to 30 units.

If St. Joseph were to increase its capture about ten percent of the new multi-family housing, baseline multi-family units would be 38 in 2008 increasing to 43 units in 2016. Ten percent of the metro area housing supply would be 37 new apartment units in St. Joseph.

Summary

Market research indicates demand for multi-family development in St. Joseph. It is important to encourage rental apartments to appeal to a broad segment of the rental market. New apartment communities are being constructed in the market area and vacancy rates are low. Based on the low vacancy rate, it appears likely that rental rates will increase at four to five percent per year in the near future to accommodate future development. Average rental rates of $0.87 to $0.85 per square foot are being achieved for one bedroom units in Sartell. Two bedroom unit monthly rents are $0.76 to $0.83.

Housing in the central business district or central St. Joseph should be focused on student housing, and other young adults. The empty-nester or mature adult housing should be located in a different portion of the central area than the student or young adult housing. Student rental housing in the newer buildings is $425 per bedroom and $1.06 to $1.38 per square foot per month. It’s likely that these rents could be increased at three to four percent per year to for new housing in downtown St. Joseph.

Sales prices at three condominium projects range from $101.21 to $144.68 per square foot for two bedroom units, and $97.05 to $104.48 per unit for three bedroom units.