

Downtown White Bear Lake Retail Market Demand

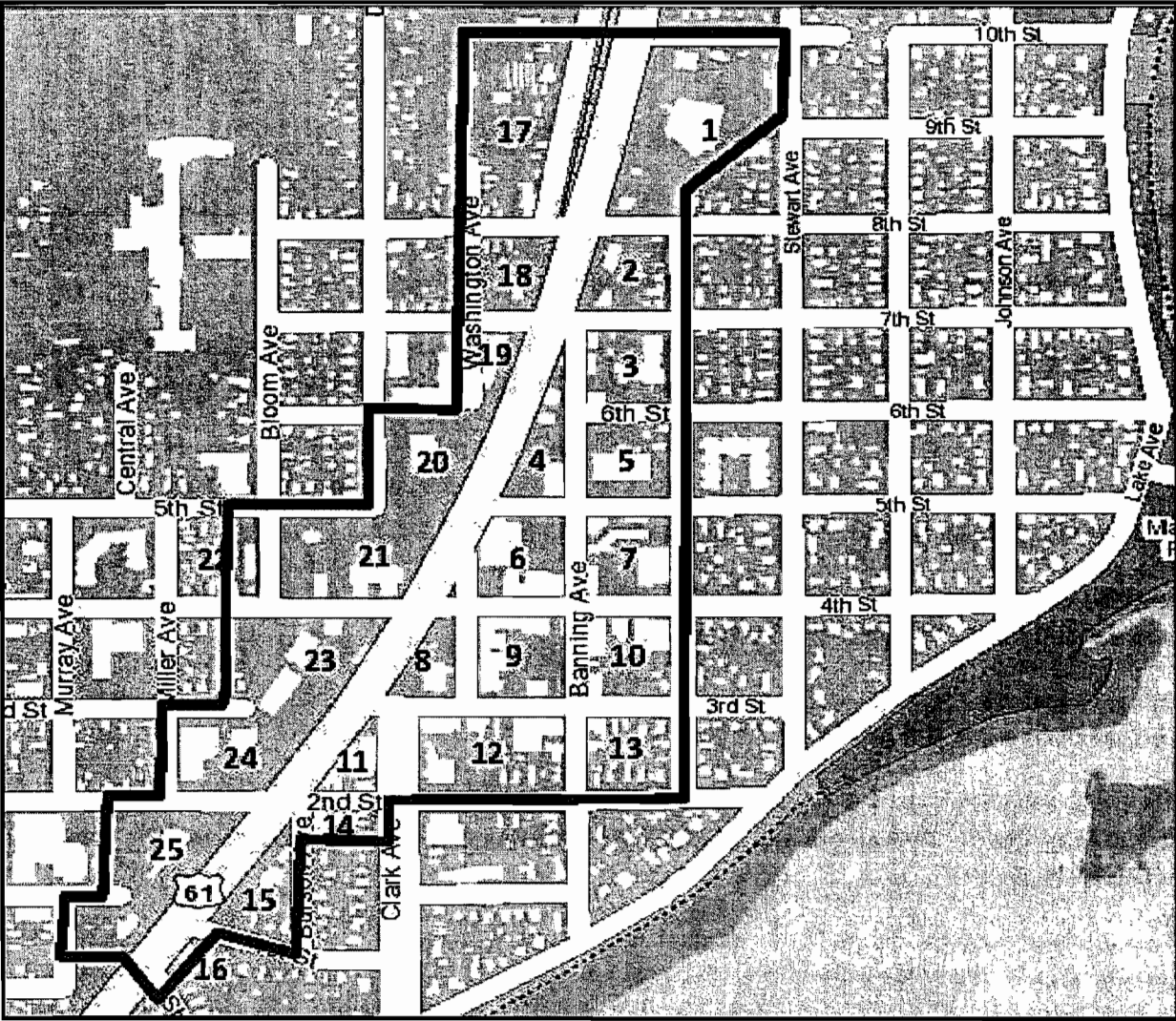
SUMMARY OF FINDINGS

Downtown White Bear Lake (Downtown) is an attractive lifestyle shopping destination serving the northeastern Metropolitan Area. Downtown's trade area will support additional retail stores, food services, and services. Factors that support additional retail development include:

- ◆ Shopping goods and food service establishments serve a trade area with an estimated 2014 population of 437,176 living in 166,044 households. Population and households are estimated to increase to about 458,400 and 174,600, respectively, in 2019.
- ◆ Median household income of Shopping Goods Trade Area households in 2014 is estimated at \$66,779, which is comparable to \$66,941 for the Minneapolis-St. Paul MSA.
- ◆ Households with incomes above \$75,000 total 67,235 (40.9 percent) in 2014 and are expected to increase to over 78,600 (45.7 percent) in 2019.
- ◆ An estimated 21,158 households have incomes above \$150,000 in 2014. This group is expected to increase to over 28,700 in 2019.
- ◆ The trade area for convenience/service establishments has a 2014 population of 209,274 living in 82,350 households. Population and households are expected to increase to over 221,200 and 87,100, respectively, in 2019.
- ◆ Convenience/Services Trade Area median household income is estimated at \$71,260 in 2014, 6.4 percent above the Minneapolis-St. Paul MSA median income of \$66,941. Estimated trade area median income of \$77,358 in 2019 is expected to be 7.7 percent higher than the Minneapolis-St. Paul MSA median of \$71,838.
- ◆ Between 2014 and 2019, population and households in Downtown's trade areas are expected to grow at a faster rate than the Minneapolis-St. Paul MSA.
- ◆ Convenience/Services Trade Area residents are well educated with 27.0 percent having graduated from college and 13.8 percent holding graduate degrees.
- ◆ In 2014, 67.3 percent and 67.7 percent of Shopping Goods Trade Area and Convenience Goods Trade Area households, respectively, are families compared to 64.7 percent in the Minneapolis-St. Paul MSA.
- ◆ Convenient access to Downtown from the Metro Area is provided by I-35E, I-694, and Highways 61 and 96.

Downtown's excellent location, many economic attributes, trade area population, and upper income households provide support for expanded retail stores, restaurants, and services. This report documents the market and consumer research conducted to quantify demand for retail stores. Supportable Square Feet by business type are contained in Table 8-1 on page 8-2 of this report.

DOWNTOWN WHITE BEAR LAKE STUDY AREA AND BLOCKS



Source: City of White Bear Lake and McComb Group, Ltd.

RECOMMENDATIONS

White Bear Lake's Downtown area (Downtown) has been evolving as stores come and go and buildings adapt to changing trends. This evolutionary process should be used to implement desired changes in store types and locations. Downtown has the market potential to support additional retail and services establishments. Downtown, however, does not have enough suitable spaces to accommodate this potential. At the same time, there are areas of Downtown that, if redeveloped or enhanced, could accommodate more retail establishments. Recommendations to continue Downtown's evolution are discussed below.

- ◆ **Marketing.** Downtown's Shopping Goods Trade Area includes much of the northeast Metro Area. Customer spotting indicated that 50 percent of the trade area shoppers lived in White Bear Lake or White Bear Township. This indicates low penetration in the balance of the trade area.

Marketing for Downtown should be expanded to focus on the larger portion of the trade area and attract more shoppers in Downtown. Downtown White Bear Lake Main Street, Inc. should consider increasing its budget to expand marketing activities. Press Publications portfolio of newspapers serves most of the trade area north of I-694.

- ◆ **Retail Directory.** Downtown needs an attractive retail directory (similar to a shopping center) that identifies stores, location, merchandise, and services offered. This directory does not need to be as extensive as the Downtown Stillwater and Grand Avenue directories. Directories should be available at all stores.
- ◆ **Parking.** There is a shortage of parking in the central portion of Downtown east of Highway 61. Employee parking demand is about 680 spaces out of the current inventory of 1,379 leaving only about 700 spaces for customers in a 16-block area. This analysis does not allow for any commuter parking that may be occurring.

Short-term approaches to managing the existing parking supply include:

- Create customer parking areas in Downtown with three- or four-hour time limits to discourage employee and commuter parking.
- Shorter time limits may be appropriate on streets and portions of on-site parking to facilitate short convenience shopping trips.
- Enforce parking time limits.

A longer term parking solution would include considering parking structures or acquiring additional land for parking. Residential buildings along the north side of Second Street and the west side of Cook Avenue in Blocks 10, 12, and 13 could be utilized for expanded parking. Employees should be encouraged to use parking lots on the edge of Downtown.

The first step would be to commission a parking study to determine the number of spaces needed and the economic challenges of providing needed parking.

♦ **Management.** While Downtown is not a shopping center, it is a shopping destination and could benefit from adopting some of the techniques that make shopping centers successful. Downtown should:

- Create a lease plan showing retail spaces. This could also be used for the retail directory.
- Identify lease termination dates for retail spaces.
- Identify the store categories that should be attracted to Downtown and store names within each category.
- Market Downtown to prospective retailers to build a list of potential stores when spaces become available.
- Identify potential locations for new businesses that are appropriate for their business.
- Work with building owners to attract good businesses to Downtown.
- Encourage renovation and redevelopment to improve Downtown.
- Establish and maintain relevant information on vacant store spaces and buildings for sale on the Downtown web site.

♦ **Master Planning.** A long-term vision should be created for Downtown to make better use of the existing Downtown area. The retail area could be considered the Special Service District area on Map 1-2. This plan should:

- Suggest long-term areas for businesses and parking, and pedestrian, bicycle, and auto circulation.
- Emphasize Banning Avenue as a more intensely utilized retail street and encourage shopper circulation.
- Encourage the potential to redevelop parcels with functionally obsolete buildings.
- Suggest guidelines for store front rehabilitation.
- Seek opportunities to make sidewalks more shopper friendly.
- Explore ways to increase traffic on low volume streets in Downtown to increase sales.

Creating a long-term master plan will provide focus for changes that will be possible in future years. It is important that this planning incorporate the advice of a consultant knowledgeable in retail site, circulation, and visibility requirements.

The above recommendations are designed to enhance retail sales over the short-term and lay the foundation for longer term improvement to continue Downtown's evolution as an even more attractive shopping destination.

Full copies of the Retail Market Demand Study are available for short term "loan" through the City's Community Development Department.

Please contact Anne Kane at 651-429-8562 or akane@whitebearlake.org to secure a copy.