A Commercial/Industrial Demand Analysis for Scott County, Minnesota

Maxfield
Research & Consulting
7575 Golden Valley Road
Suite 385
Golden Valley, MN 55427
612.338.0012
www.maxfieldresearch.com

November 22, 2016

Mr. William Jaffa
Executive Director
Scott County Community Development Authority
323 South Naumkeag Street
Shakopee, MN 55379

Dear Mr. Jaffa:

Attached is the market study titled, "*A Commercial/Industrial Demand Analysis for Scott County, Minnesota*." The study projects demand for retail, office and industrial real estate for each community in Scott County to 2040. It also estimates the amount of land area that will be required to support the projected development.

In total, we find demand for over 10.1 million square feet of commercial and industrial space in Scott County by 2040. Demand is expected to be strongest for industrial space, representing 67% of the total commercial/industrial demand in Scott County. Estimated demand for retail space is expected to account for 25% of the commercial/industrial demand in the County, while 8% will be for office space. We estimate that up to 936 acres of land will be required to accommodate the projected demand for commercial and industrial development in the County by 2040.

We appreciate the opportunity to complete this market analysis and are available should you have any questions or need additional information.

Sincerely,

MAXFIELD RESEARCH AND CONSULTING, LLC

Mary C. Bujold

Mary C. Bujold
President

Attachment

(main) 612-338-0012 (fax) 612-904-7979
7575 Golden Valley Road, Suite 385, Golden Valley, MN 55427
www.maxfieldresearch.com

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Introduction

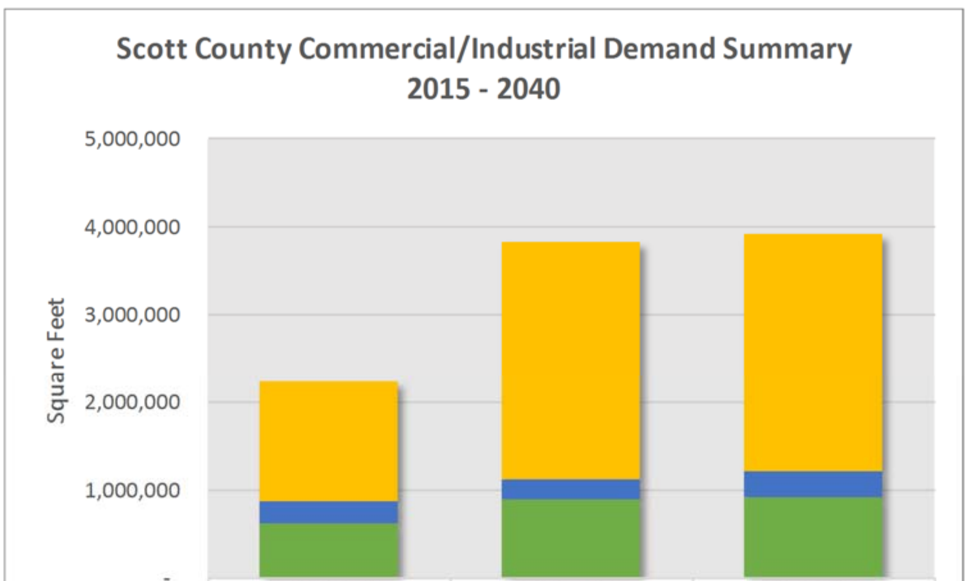
Maxfield Research and Consulting, LLC was engaged by the Scott County Community Development Agency (Scott County CDA) to conduct an update of the commercial/industrial demand analysis for Scott County. The previous analysis was completed in 2012. Detailed demand calculations are provided for retail, office, and industrial real estate to 2040.

Key Findings

1. Key demographic factors influencing Scott County, notably population and household growth, income growth, high levels of consumer spending, and employment growth, indicate that there will be growing demand for a variety of commercial and industrial real estate products by 2040.

2. With the exception of Shakopee, all other Scott County Submarkets experienced leakage of retail sales outside their respective trade areas. This data suggests that residents of these Submarkets are purchasing retail goods and services at establishments located outside the area, generating "leakage" of retail sales opportunity outside of the Submarket's trade area. The "surplus" of sales in Shakopee indicates that there are more customers coming into the Submarket for retail goods and services than there are households in the Submarket.

3. As depicted in the following chart, we find demand for over 10.0 million square feet of commercial and industrial space in Scott County by 2040.

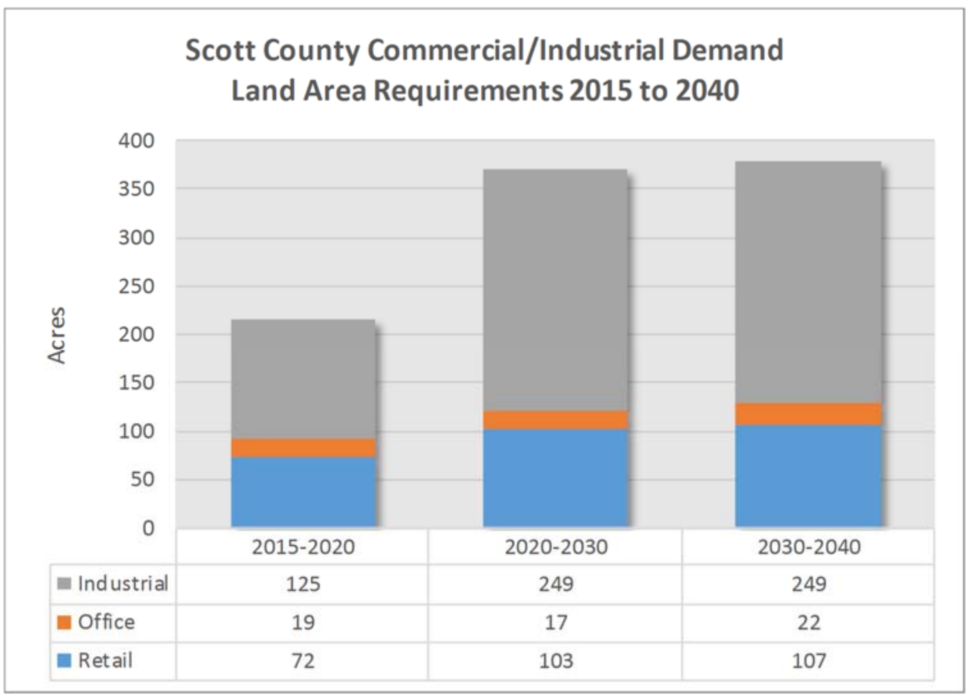


	2015-2020	2020-2030	2030-2040
Industrial	1,357,000	2,714,000	2,714,000
Office	254,745	227,682	288,536
Retail	630,075	896,284	928,366

4. The following figure summarizes commercial and industrial real estate demand by product type and submarket in Scott County to 2040. The Shakopee Submarket is projected to experience the highest demand (43% of the County total), followed by Prior Lake (13% of the total).

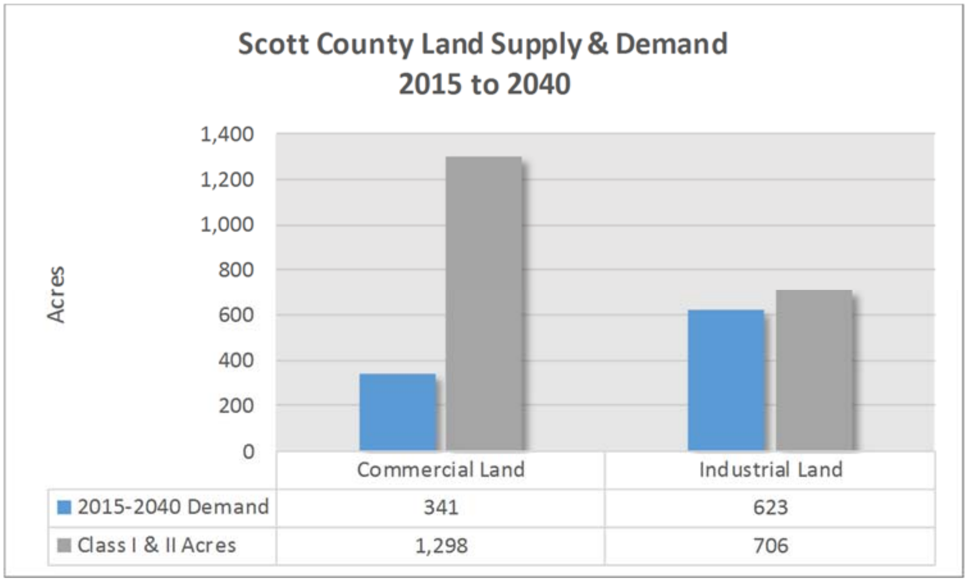
	---------- Space Demand (Square Feet) ----------			
	Retail	Office	Industrial	Total
Submarket				
Belle Plaine	205,560	67,286	746,350	**1,019,196**
Elko New Market	56,514	24,757	963,470	**1,044,741**
Jordan	143,818	27,720	461,380	**632,918**
New Prague	183,362	38,733	556,370	**778,465**
Prior Lake	812,843	100,433	420,670	**1,333,946**
Savage	414,547	50,900	427,455	**892,902**
Shakopee	638,081	461,134	3,209,305	**4,308,520**
County Total:	**2,454,725**	**770,963**	**6,785,000**	**10,010,688**

5. We estimate that commercial and industrial development could consume approximately 964 acres of land in Scott County between 2015 and 2040.



6. Land absorption for commercial and industrial development will be strongest in Shakopee, at over 400 acres by 2040. We anticipate that 140 acres will be absorbed in Prior Lake, while over 97 acres of land absorption will occur in Belle Plaine and 97 acres of land will be needed to support commercial/industrial development in Elko New Market. Savage, New Prague, and Jordan are expected to experience 91 acres, 75 acres, and 61 acres of land absorption, respectively.

7. There appears to be sufficient land in the County to accommodate the projected demand by 2040; however, there is a disparity between the amount of land slated for commercial development versus industrial development. Nearly 1,300 acres of Class I and II land are classified as commercial against projected demand for 341 acres. At 623 acres, demand for industrial land is projected to be higher than for commercial land, yet there are fewer acres available (706 acres of Class I and II land).



8. As of year-end 2016, Scott County's labor force totaled 78,384 people according to data published by the Minnesota Department of Employment and Economic Development. Previous labor force projections for Scott County as of 2015 estimated a labor force of 85,647, but the actual number is currently less as shown above. Total jobs as of 2nd Quarter 2016 (47,953) equates to a capture rate of 61% of the employed residents in the County (if all jobs were to be held by County residents). By 2025, Scott County's labor force is projected to total 95,843 people. In order to reach a targeted ratio of 50% of jobs in Scott County as compared to the labor force would equate to a need for an employment base in Scott County of 47,922 jobs. As of 2016, Scott County has already met this goal and we anticipate that jobs in Scott County would rise to a level that will exceed the 50% ratio. By 2030, labor force projections would total approximately 106,175, assuming a 2.5% annual growth in the labor force between 2020 and 2030. At a targeted ratio of 50% of jobs to labor force, this would equate to total jobs of 53,088. Jobs in Scott County by 2030 are projected to total 61,990, which will exceed the projected ratio of 50% by 8%. By 2040, the labor force in Scott County is projected to be 135,913 and the projected employment base would be 68,440. At this level, the ratio of jobs to labor force would be 50%, down slightly from 58% in 2030, but still meeting the target goal.

Purpose and Scope

Introduction

Maxfield Research and Consulting was engaged by the Scott County Community Development Agency (CDA) to complete an update of the demand for commercial and industrial space in Scott County. The City of New Prague, a portion of which is located in Le Sueur County, is included in its entirety. Information collected for this analysis includes:

- Demographic and economic data;
- Employment data,
- Business growth and expansion;
- Information on current and projected market conditions for office, retail and industrial space in the County;
- Land availability for commercial and industrial development including a review of sites that are pad ready and those that would require additional infrastructure;
- Pending commercial and industrial development;
- Updated calculations of demand for commercial (office/retail) and industrial space in Scott County communities.

Demographic Analysis

Introduction

This section of the report examines demographic characteristics. The demand for office, industrial and retail space can be affected by changing demographic and economic trends. Included in this section is an analysis of:

- Population and household growth trends and projections;
- Household income distribution;
- Occupation;
- Educational attainment;
- Mobility and migration patterns;
- Retail expenditures by consumers; and,
- Retail demand potential and leakage.

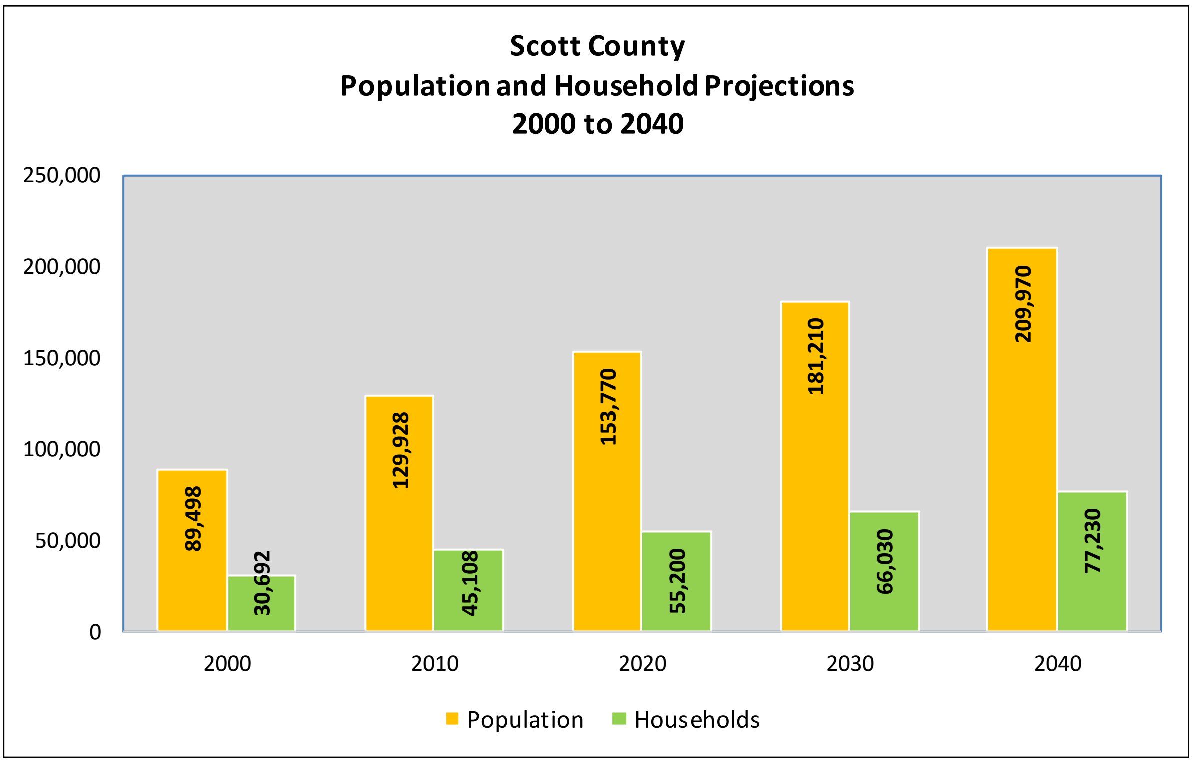
This section of the report includes totals for each community and township in the County. As mentioned previously, the City of New Prague is included in its entirety. Detailed demographic tables are provided at the end of this section.

Tables D-1 and D-2: Population and Household Growth

Tables D-1 and D-2 present population and household growth trends and projections for Scott County from 2000 to 2040. New Prague is included in its entirety. The data from 2000 and 2010 is from the U.S. Census, while the 2020, 2030 and 2040 projections were based on data supplied by Metropolitan Council and Esri, Inc., a nationally recognized demographics firm.

- Scott County's population is projected to increase 18.4% from 130,000 in 2010 to 154,000 in 2020. Approximately all of this new growth is expected to occur in the incorporated cities.

- The Belle Plaine Submarket is projected to experience the largest proportional increase in growth from 2020 to 2030, growing by 24.7%. The growth will occur primarily in the City of Belle Plaine, which is projected to add 2,300 people. The City of Elko New Market is forecast to experience the greatest proportional change in population among all cities and townships in the county, growing by approximately 40% each decade to 2040.



- Scott County added 15,000 households during the 2000s, and is projected to add 10,092 households between 2010 and 2020, a 22.4% increase. The higher rate of household growth compared to population growth in the County can be attributed, in part, to declining household sizes (2.91 in 2000 and 2.88 in 2010). Average household sizes are declining due to several factors, including the overall aging of the population, couples' decisions to have fewer children than their parents, or no children at all, as well as an increase in single-person households.

- Reflecting population growth projections, the Belle Plaine Submarket will experience the greatest proportional growth in households, 28.4%, followed closely by the Elko-New Market Submarket which is projected to grow by 27.4%.

- On a numeric basis, the Shakopee Submarket is projected to be Scott County's growth leader, adding 22,382 people (+53%) and 7,942 households (+54%) between 2015 and 2040, followed by the Prior Lake Submarket (+16,410 people for a 48% gain and +7,040 households for a 57% increase).

Tables D-3 through D-11: Household Incomes by Age

The estimated distribution of households by income in Scott County for 2015 and 2020 is shown in Tables D-3 through D-11. The data was estimated by Maxfield Research and is based on income trends provided by ESRI, Inc. The data helps ascertain the demand for different housing products based on the size of the market at specific cost levels.

- The overall median household income in the County was estimated at $91,020 in 2015. This is significantly higher than the Twin Cities Metro Area (7 county) median household income of $67,795.

- Median incomes peak in the 35 to 44 and 45 to 54 age groups at $107,000, as these householders are generally in their peak earning years. Seniors over age 75 had the lowest median income at $43,513. While their incomes are lower, most seniors also have fewer expenses and often own their homes out-right.

- The median income differs greatly between each of the Scott County communities. The chart on the following page highlights the high median incomes in Savage, Prior Lake and Elko New Market submarkets where the median income in 2015 was approximately $100,000.

- In the next five years, income growth is expected in all Scott County submarkets. The largest growth is anticipated to occur in the New Prague submarket, where incomes are forecast to rise by 18.3%, followed closely by the Elko New Market submarket with a 17.2% increase in income from 2015 to 2020.

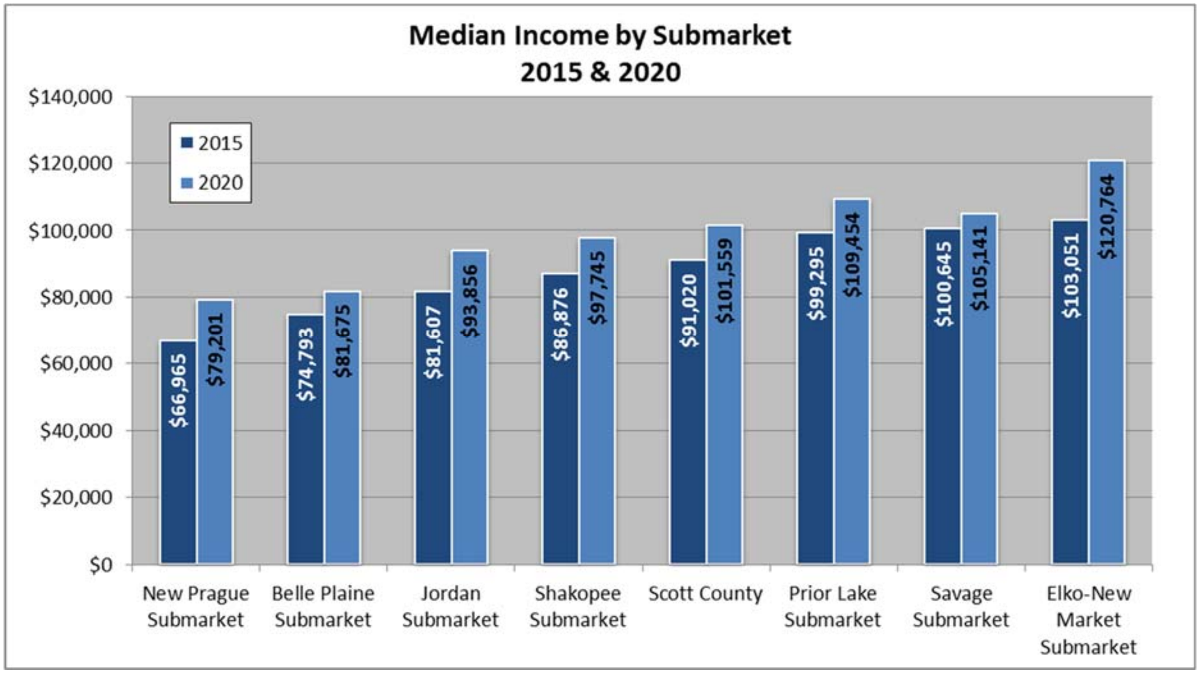
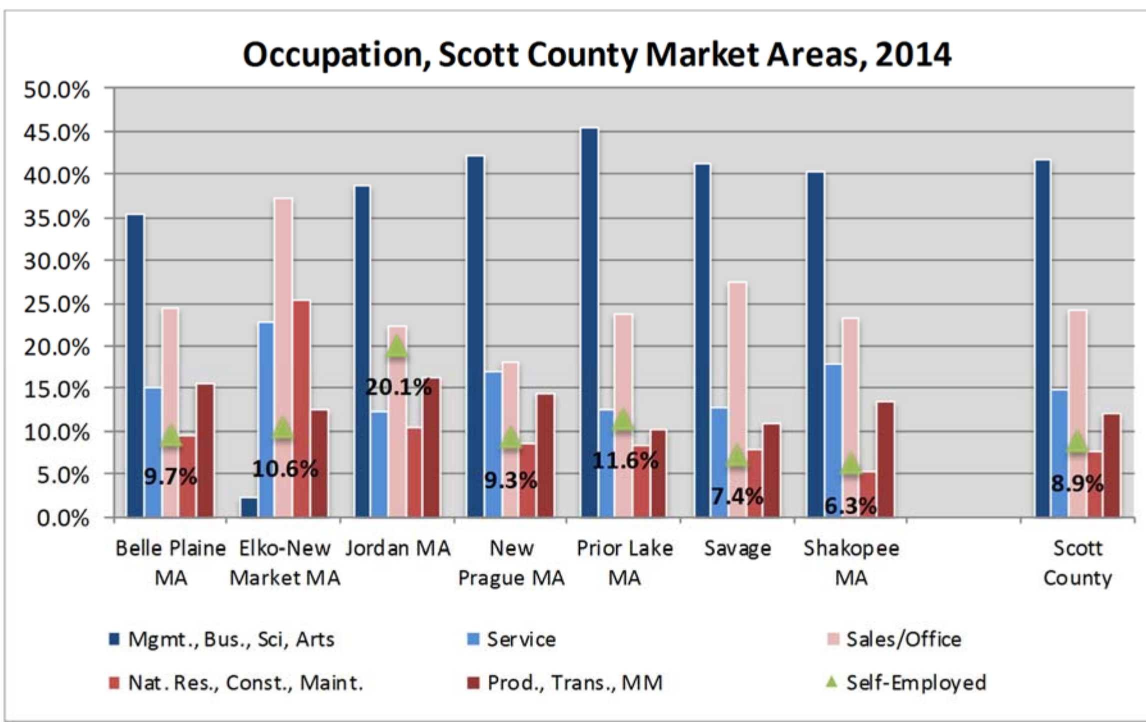


Table D-12: Occupation

Table D-12 shows the occupations of people age 25 years or older in each of the Scott County submarkets as of 2014. The occupations of residents provide information on the types of positions that are currently held in the County and give an indication of the potential skills of the labor force in various industry sectors.



The table shows that the highest proportion of people in most of the submarkets have an occupation that falls under the Management, Business, Science and Arts category. The exception is Elko New Market which has most of its residents employed in sales and office positions. There are also relatively high proportions of residents employed in Production, Transportation and Material Moving.

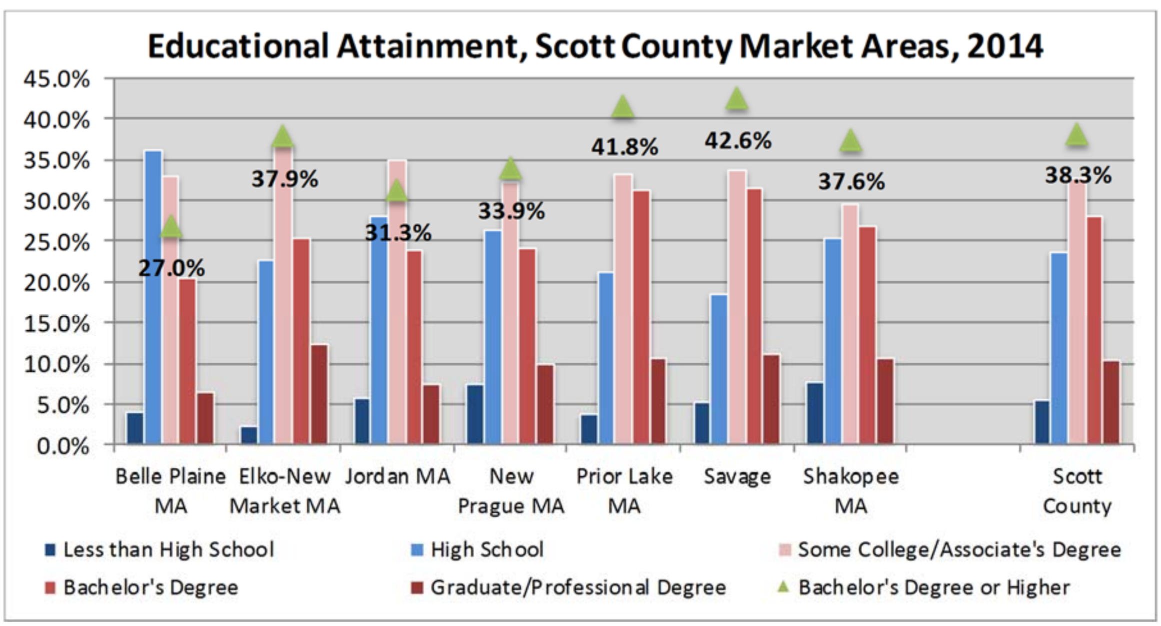
The proportions of self-employed residents, whether in an incorporated or non-incorporated business ranged from a low of 6.3% in Shakopee to a high of 20.1% in Jordan. Scott County overall had a proportion of 8.9% of residents that were self-employed as of 2014 (Census data).

<u>Table D-13: Educational Attainment</u>

Table D-13 shows the highest level of education for the population 25 years of age or older in each of the Scott County submarkets as of 2014. Resident education levels impact the employment readiness of the population and the skills match of the local labor force to local employers.

- The educational attainment of Some College or Associate's Degrees represented the highest proportion of the population in each submarket, except for Belle Plaine where high school graduate represented the educational attainment of the greatest proportion of the population.

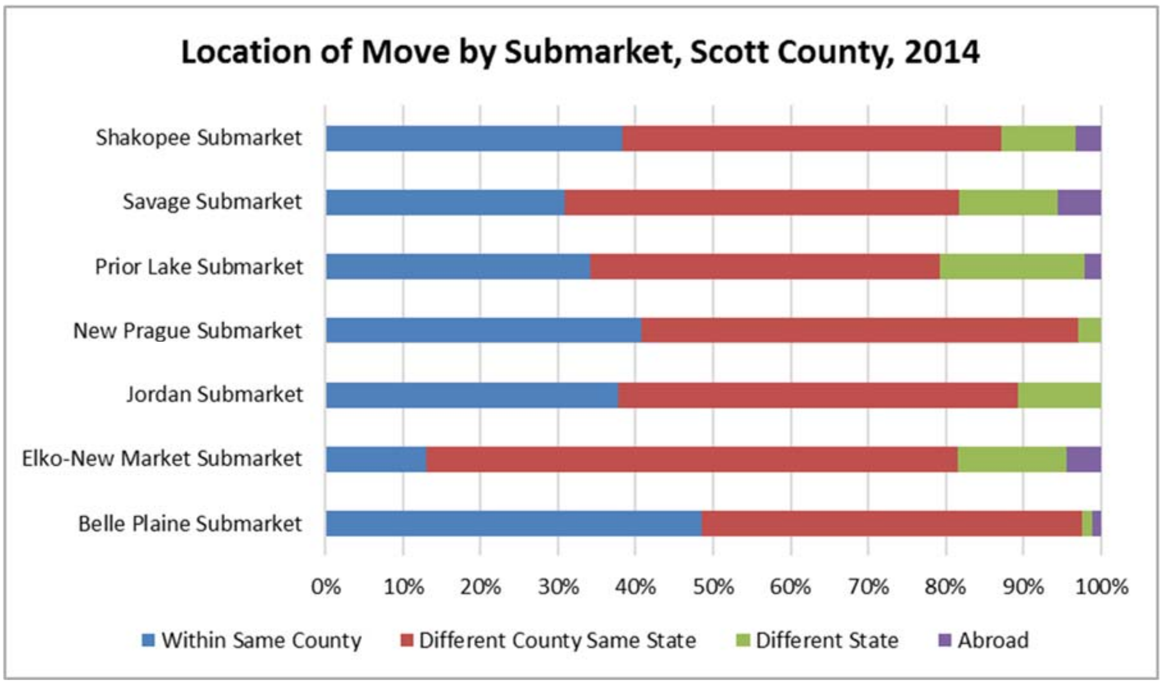
- Savage and Prior Lake reported approximately 42% of the population with a Bachelor's Degree or higher. Belle Plaine was the only submarket to report less than 30% of the population with a Bachelor's Degree or higher.



Tables D-14 and D-15: Mobility and Migration Patterns

Table D-14 presents mobility in the past year by submarket. Table D-15 shows mobility in the past year by age for Scott County. The data are sourced from the U.S. Census Bureau American Community Survey, 2010 to 2014.

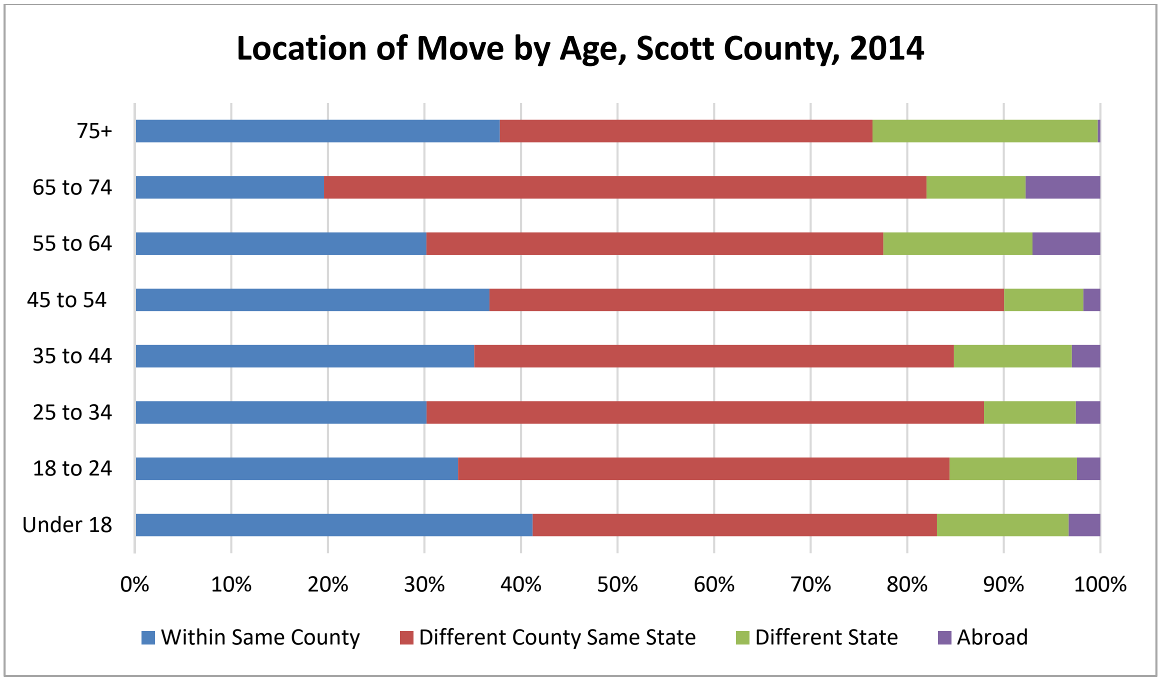
- Nearly 90% of residents in all submarkets did not move within the last year.
- Those that reported a move were most likely to move from a different county within the same state, representing 5.3% of the population across all submarkets.
- Analyzing only the population that moved in the last year by submarket highlights the most likely location of a move. Movers within the Elko-New Market Submarket were least likely to move within the same county among all the submarkets.
- Among all submarkets, movers were most likely to report a move from a different county within the same state.



- Among all age groups in Scott County, 18 to 24 year olds were most likely to move, 20.6% of people in this age cohort reported a move within the past year. This group was also the most likely to report a move from a different county within the same state.
- Mobility reached a low in the 45 to 54 year olds age cohort at 5.3%, then began to rise again, reaching 8% in the 75-year-old and over age cohort. The higher mobility rate in the older age cohort reflects couples transitioning to an empty nest, retiring and desiring or needing to downsize their homes.

- The chart below looks at mobility by age cohort among only the population that reported a move in the last year. Across all age cohorts, those that moved were most likely to report a move from a different county within the same state.

- Those age 75 and over were most likely to report a move to a different state with 23% of movers in this age cohort reporting a move to a different state.



<u>Tables D-16 through D-19: Consumer Expenditure Patterns</u>

The graph below shows consumer expenditures on retail goods and services in Scott County by submarket for 2015, according to data obtained from ESRI based on Consumer Expenditure Surveys from the Bureau of Labor Statistics. Tables D-16 through D-19 show the average expenditures per household and the amount spent in the Trade Area by product or service. In addition, a Spending Potential Index (SPI) is illustrated for comparison purposes. The SPI is based on households and represents the amount spent for a product or service relative to the national average of 100. An SPI of 115 shows that the average annual expenditure by local consumers is 15% above the national average. The average expenditure reflects the average amount spent per household, while the total expenditure reflects the aggregate amount spent by all households in the area.

Consumer spending is influenced by market conditions and trends. In times of economic troubles, market conditions drive spending patterns, whereas in times of a booming economy consumer trends feature opportunity and convenience. Two-thirds of the national economy is driven by consumer spending. During the recession, households decreased spending, increased savings, and reduced credit card debt in the face of job losses. In essence, when the housing market began its decline in late 2006 into 2007, consumer spending and consumer confidence followed. Consumers curtailed their spending habits as credit and home equity lines diminished as available sources of cash.

As the nation exited the recession, consumers have gained confidence and spending has gradually recovered. The Conference Board's Consumer Confidence Index rose to its highest level since summer 2007 in early 2015. An increase in consumer confidence suggests economic growth with higher consumption.

- Overall, residents of Scott County are estimated to have spent between $76.4 million (Belle Plaine Submarket) and $457 million (Prior Lake Submarket) on retail goods and services in 2015, excluding housing, finance/insurance, and travel expenditures as well as vehicle purchases.

- Average annual retail expenditures (excluding the categories mentioned above) are estimated to be between $24,731 (New Prague Submarket) and $35,366 (Prior Lake Submarket) per household in Scott County. This compares to a Metro average of $26,875 per household in 2015.

- In virtually every product and service category, expenditures by County households are higher than the national average and the Twin Cities Metro Area.

- The Prior Lake Submarket reported the highest SPI in Scott County, at an average of 166 compared to the Twin Cities Metro Area average of 122, followed by Elko New Market (157), Savage (151), Shakopee (129), and Jordan (128). The New Prague and Belle Plaine Submarkets had the lowest average SPIs at 113 and 114, respectively.

- Housing expenses, including mortgage/rent payments, maintenance and utilities account for approximately 29% of total consumer expenditures in each of the submarkets, compared to 28% in the Metro area.

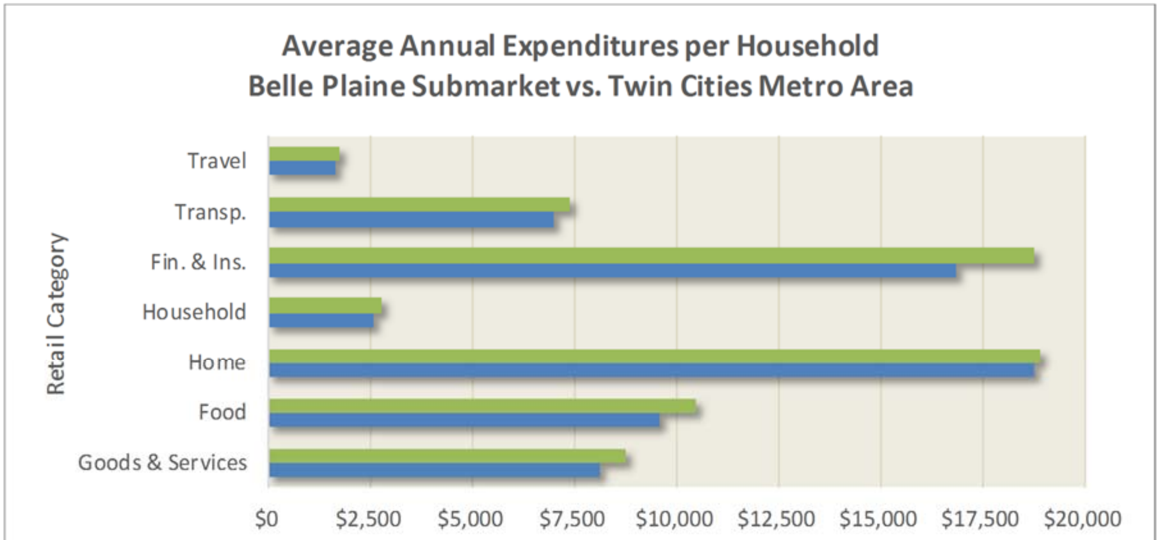
Belle Plaine Submarket

- The SPI for the Belle Plaine Submarket was below, or close to, the SPI for the Twin Cities Metro Area in all categories. However, the SPI is still above the national average in nearly every category (with the exception of Smoking Products, which reported an SPI of 94).

- The SPI was highest for Child Care (132) and Home Mortgages or Rents (127) in the Belle Plaine Submarket.

- The Home category accounted for the largest spending, $18,765 per household, followed by spending in the Financial and Insurance category.

- The average annual household expenditure was $64,485.



	Goods & Services	Food	Home	Household	Fin. & Ins.	Transp.	Travel
Twin Cities	$8,762	$10,474	$18,901	$2,753	$18,755	$7,363	$1,736
Belle Plaine Sub.	$8,112	$9,568	$18,765	$2,568	$16,854	$6,987	$1,630

Elko New Market Submarket

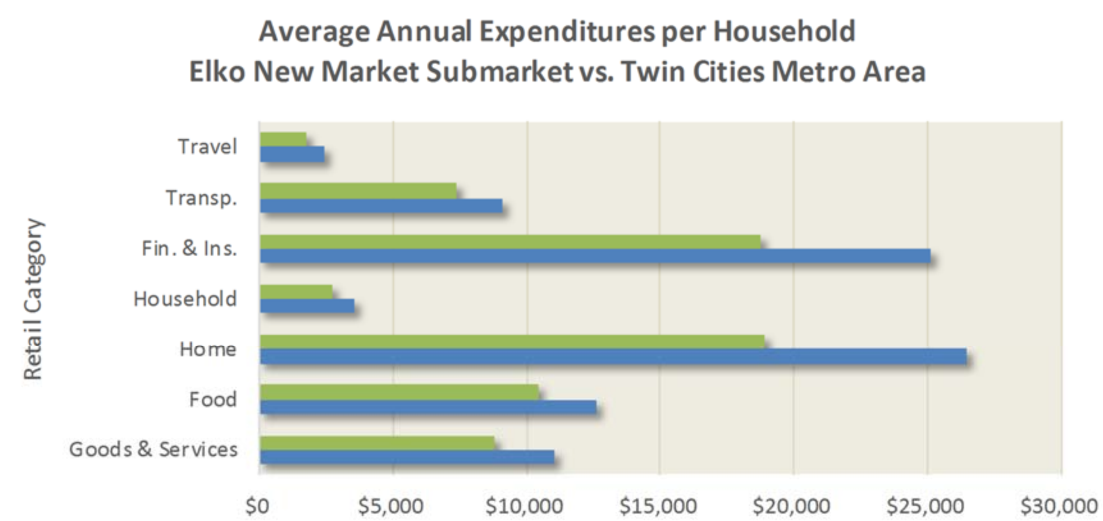
- The SPI for Elko New Market was higher than the SPI for the Twin Cities Metro in all categories except for Smoking Products.

- Smoking Products reported the lowest SPI of 107. The average SPI in the Elko New Market Submarket was 157 compared to an average SPI of 122 in the Twin Cities Metro Area. This indicates higher spending per household in the Elko New Market Submarket than the national average and the Twin Cities Metro.

- The Home category accounted for the largest per household spending, at $26,479 annually, compared to $18,901 spent annually in the Home category within the Twin Cities Metro.

- This is followed by the Finance and Insurance category, which accounted for $25,098 average annual expenditures per household, compared to $18,755 spent annually in the Metro Area.

- Average annual household expenditures were $90,333 in the Elko New Market Submarket.



	Goods & Services	Food	Home	Household	Fin. & Ins.	Transp.	Travel
Twin Cities	$8,762	$10,474	$18,901	$2,753	$18,755	$7,363	$1,736
Elko New Market Sub.	$11,053	$12,650	$26,479	$3,535	$25,098	$9,086	$2,432

Jordan Submarket

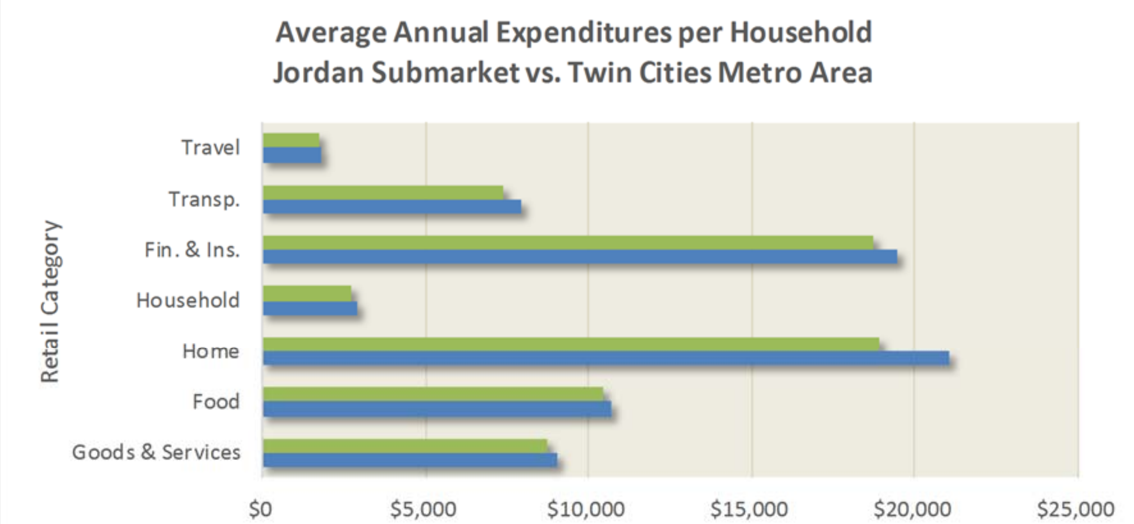
- As seen in the other submarkets, the SPIs in the Jordan Submarket are higher in most categories than the SPIs for the entire Twin Cities Metro Area.

- The lowest SPI was 104 for Smoking Products and the highest was 146 for Child Care. No other categories reported an SPI below 104, indicating higher spending on goods, services and products when compared to the Metro.

- Child Care and Home Mortgage or Rent Payment reported a particularly high SPI of 146 and 143, respectively.

- At an average of $21,052 per household, spending was highest in the Home category, followed closely by the Financial and Insurance category at $19,487.

- The total average annual expenditure per household in the Jordan Submarket was $72,908.



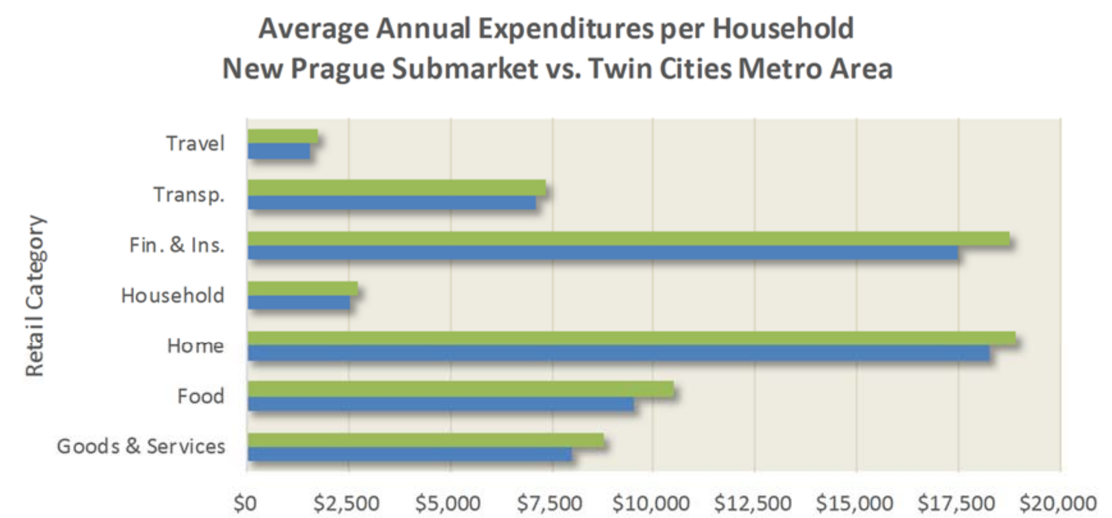
	Goods & Services	Food	Home	Household	Fin. & Ins.	Transp.	Travel
Twin Cities	$8,762	$10,474	$18,901	$2,753	$18,755	$7,363	$1,736
Jordan Sub.	$9,063	$10,683	$21,052	$2,889	$19,487	$7,917	$1,816

New Prague Submarket

- With an average SPI of 113, household spending in the New Prague Submarket was low relative to the Twin Cities Metro Area which had an average SPI of 122. However, spending in the New Prague Submarket was higher than the national average in every category.

- Smoking Products had the lowest SPI (102), while Child Care and the Home Maintenance and Remodeling Materials categories had the highest SPI (122).

- As in the other submarkets, the Home category generated the largest average annual expenditure per household. Annually, households spend $18,250 on Home, slightly lower than the annual average in the Twin Cities Metro, $18,901.



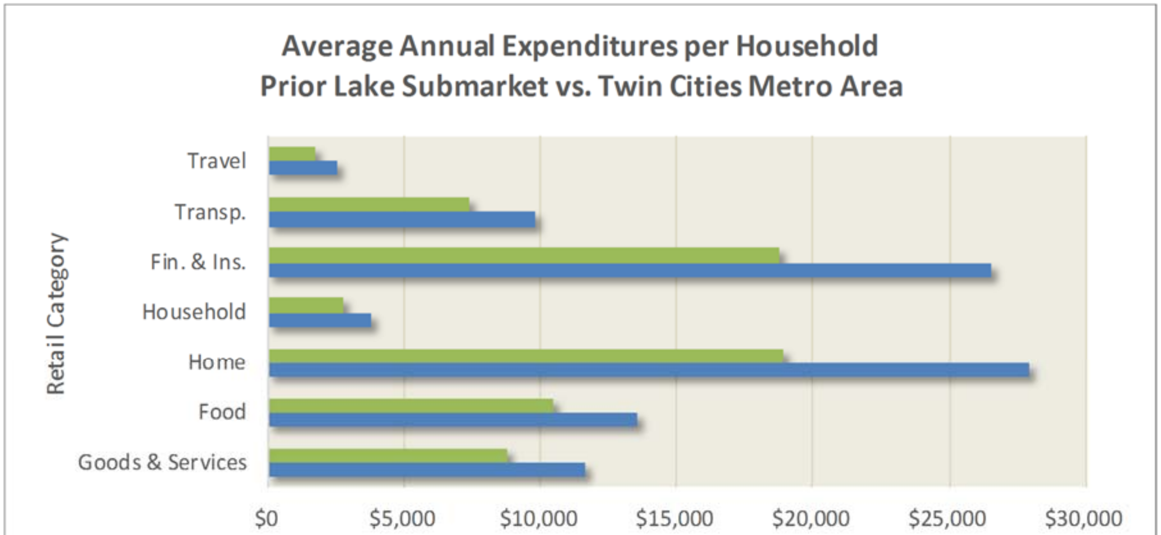
	Goods & Services	Food	Home	Household	Fin. & Ins.	Transp.	Travel
Twin Cities	$8,762	$10,474	$18,901	$2,753	$18,755	$7,363	$1,736
New Prague Sub.	$8,010	$9,526	$18,250	$2,555	$17,462	$7,090	$1,544

Prior Lake Submarket

- The Prior Lake Submarket SPI is substantially higher than the SPI for the Twin Cities Metro Area in essentially every category. The average annual household spending in the Prior Lake Submarket ($95,698) was the highest among the Scott County submarkets and 39% higher than the Twin Cities average ($68,744).

- The SPI was highest in the Home Mortgage Payment and Rent category (192), followed by Child Care (188). At 125, the SPI for the Prior Lake Submarket was lowest for Smoking Products.

- As in the other submarkets, average annual spending was highest in the Home category. Annually, households spend $27,929 on Home, which is 48% higher than the annual per household spending on Home in the Twin Cities Metro Area ($18,901).



	Goods & Services	Food	Home	Household	Fin. & Ins.	Transp.	Travel
Twin Cities	$8,762	$10,474	$18,901	$2,753	$18,755	$7,363	$1,736
Prior Lake Sub.	$11,667	$13,540	$27,929	$3,746	$26,541	$9,775	$2,501

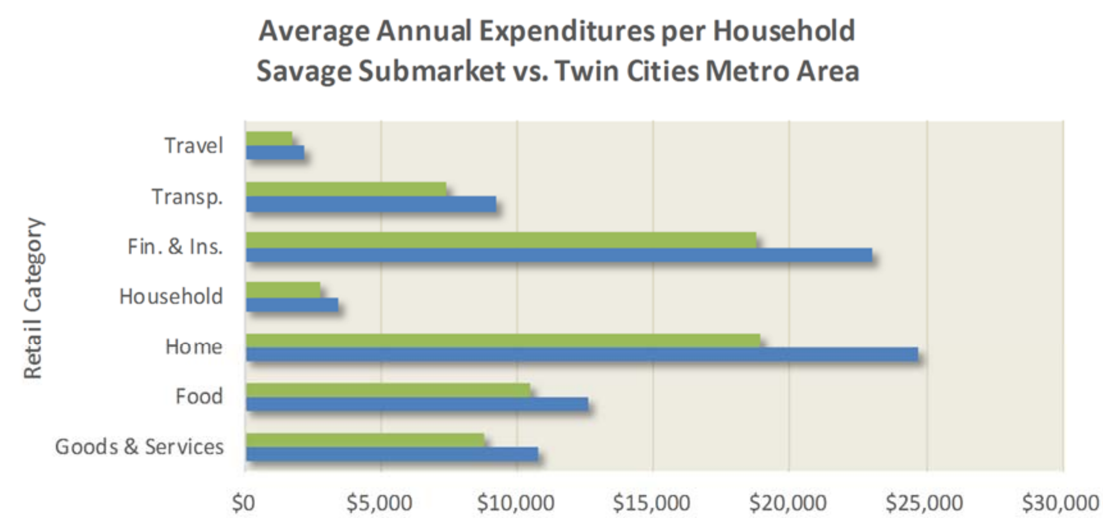
Savage Submarket

- The consumer expenditure SPIs in the Savage Submarket are higher in all categories than the SPIs for the Twin Cities Metro Area. The lowest SPI was 120 for Smoking Products and the highest was for 175 for Child Care. The average SPI for the Savage Submarket was 151 compared to 122 in the Twin Cities Metro Area.

- Child Care and Home Mortgage or Rent Payment reported a particularly high SPI of 175 and 168, respectively.

- Average annual spending was highest in the Home category, at $24,686 per household, followed closely by the Financial and Insurance category at an average of $23,017 per household.

- The total average annual expenditure per household in the Savage Submarket was $85,825, roughly 25% higher than the Metro Area average of $68,744.



	Goods & Services	Food	Home	Household	Fin. & Ins.	Transp.	Travel
Twin Cities	$8,762	$10,474	$18,901	$2,753	$18,755	$7,363	$1,736
Savage Sub.	$10,736	$12,601	$24,686	$3,415	$23,017	$9,178	$2,193

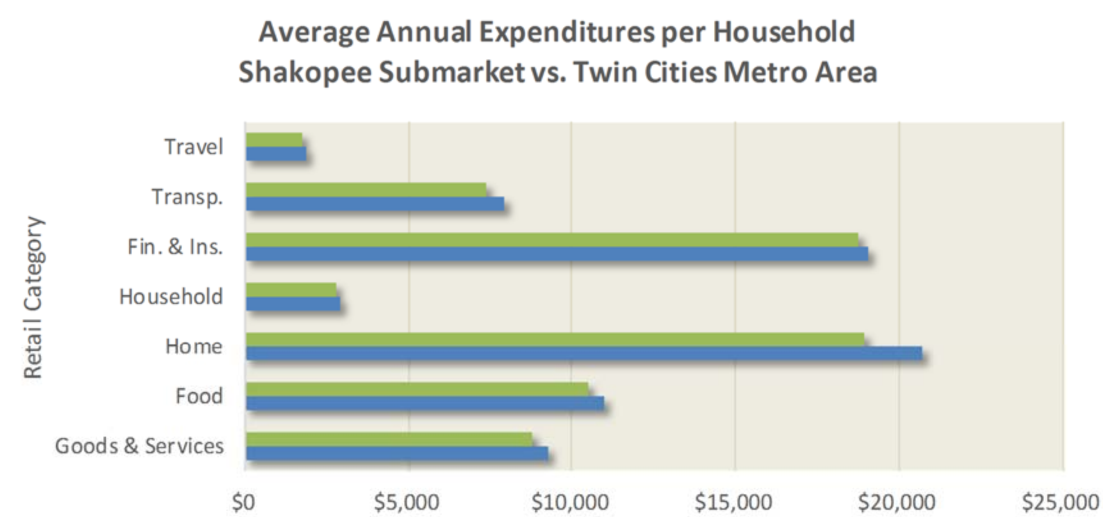
Shakopee Submarket

- As seen in several other submarkets, the SPI in the Shakopee Submarket is higher in all categories than the SPI for the Twin Cities Metro Area, except for Smoking Products and Investments. The lowest SPI was 105 for Smoking Products and the highest was 153 for Child Care.

- Child Care and the Home Mortgage Payment and Rent categories reported the highest SPIs, at 153 and 140, respectively.

- Average annual spending was highest in the Home category, at $20,715 per household (10% higher than the Metro Average), followed closely by the Financial and Insurance category at an average of $19,027 per household.

- With an average SPI of 129, spending in the Shakopee Submarket is slightly higher than the Twin Cities Metro Area (122 SPI). The total average annual expenditure per household in the Shakopee Submarket was $72,672, 6% higher than the Twin Cities Metro Area ($68,744).



	Goods & Services	Food	Home	Household	Fin. & Ins.	Transp.	Travel
Twin Cities	$8,762	$10,474	$18,901	$2,753	$18,755	$7,363	$1,736
Shakopee Sub.	$9,283	$10,951	$20,715	$2,920	$19,027	$7,916	$1,859

<u>**Table D-22 through D-28: Retail Demand Potential and Leakage**</u>

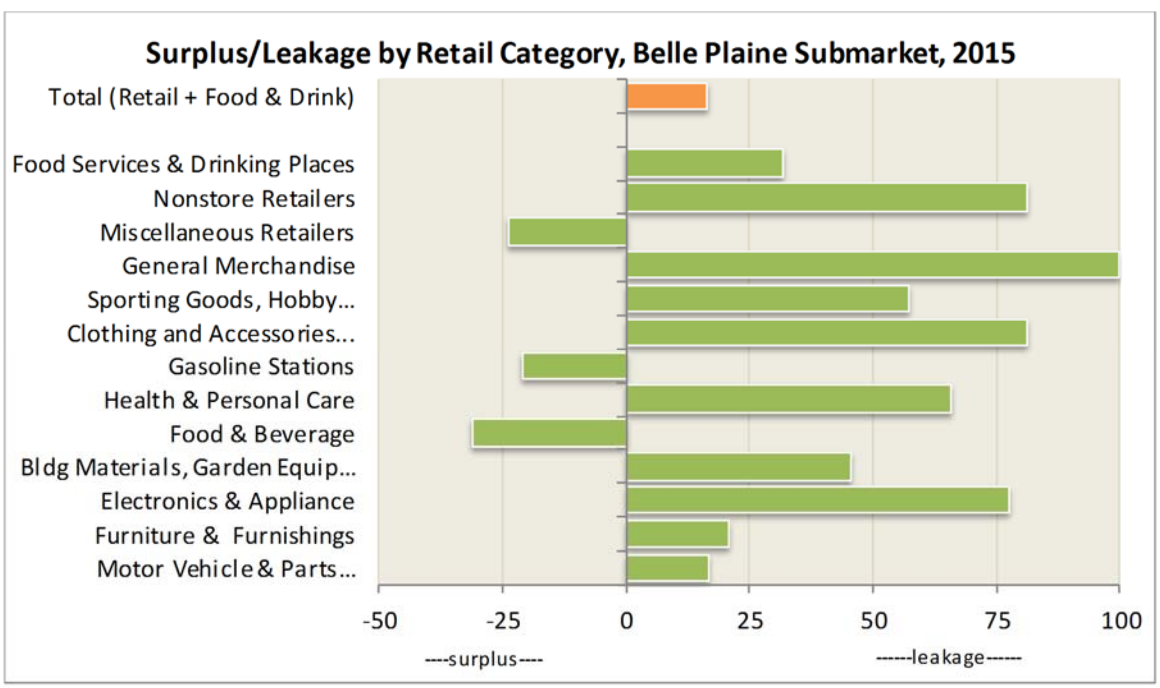
Tables D-22 through D-28 presents retail sales for the submarkets in Scott County in 2015. The sales information is from ESRI based on household counts from the U.S. Census Bureau. This information lists retail demand (potential sales), retail supply to consumers (retail sales) and provides a picture of the gap between the area's retail supply and demand. A positive value represents "leakage" of retail opportunity to stores outside of the submarket, while a negative value represents a surplus of retail sales, where customers are drawn to area retailers from outside the submarket. The following are key points of the retail demand potential.

- The Surplus/Leakage measures the relationship between supply and demand. Leakage factors for the submarkets ranged from a low of -1.3 in the Shakopee Submarket (indicating a sales surplus) to 87.2 in the Elko New Market Submarket.

Belle Plaine Submarket

- For all Retail Trade and Food and Drink, Belle Plaine reported a leakage factor of 16.5, and the Belle Plaine Submarket experiences leakage in most retail categories. The General Merchandise Stores category, with a leakage factor of 100, experiences a total leakage of retail sales in that category outside the submarket. Most of these sales are likely occurring in other locations in Scott County or near to Scott County such as Shakopee/Savage.

- The Belle Plaine Submarket reported a surplus in the Miscellaneous Retailers, Gasoline Stations and Food and Beverage categories. This indicates that consumers from outside the submarket are buying these items in Belle Plaine.

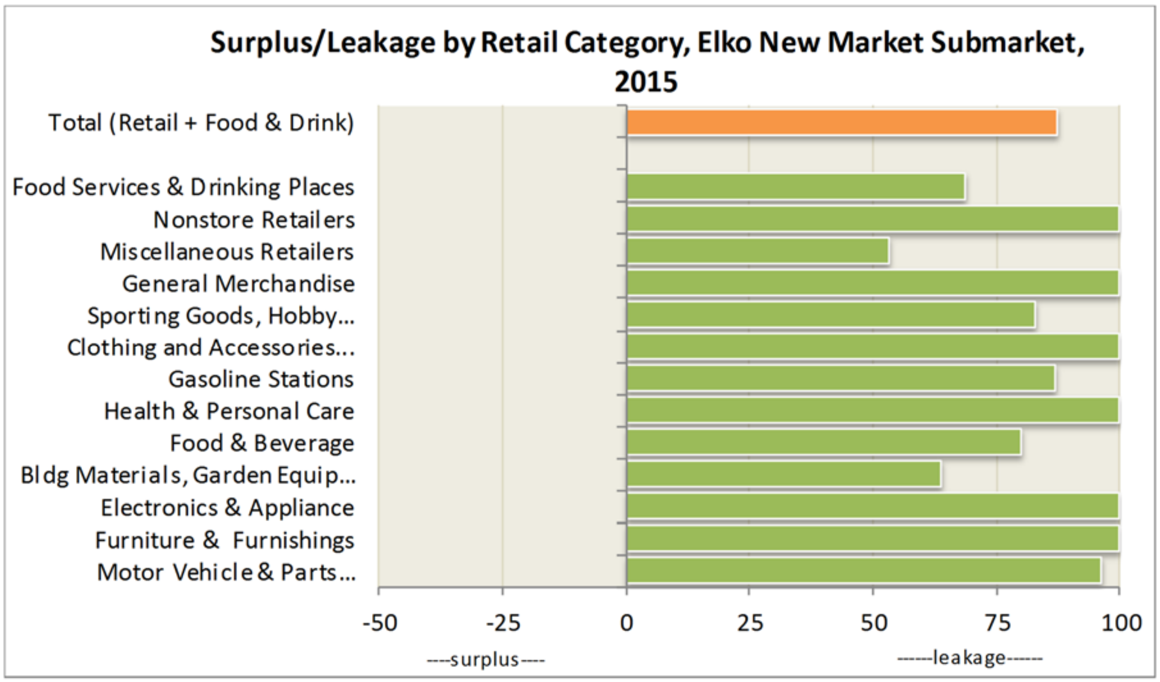


Elko New Market Submarket

- The Elko New Market Submarket experienced significant retail leakage. Seven retail categories reported a leakage factor at or near 100. A leakage value of 100 indicates total leakage of sales opportunity outside the trade area.

- None of the major retail categories experienced a surplus factor, although there were some subcategories reporting a surplus including Lawn and Garden Equipment and Supply stores and Drinking Places.

- Total Retail Trade and Food and Drink reported a leakage factor of 87.2.



Jordan Submarket

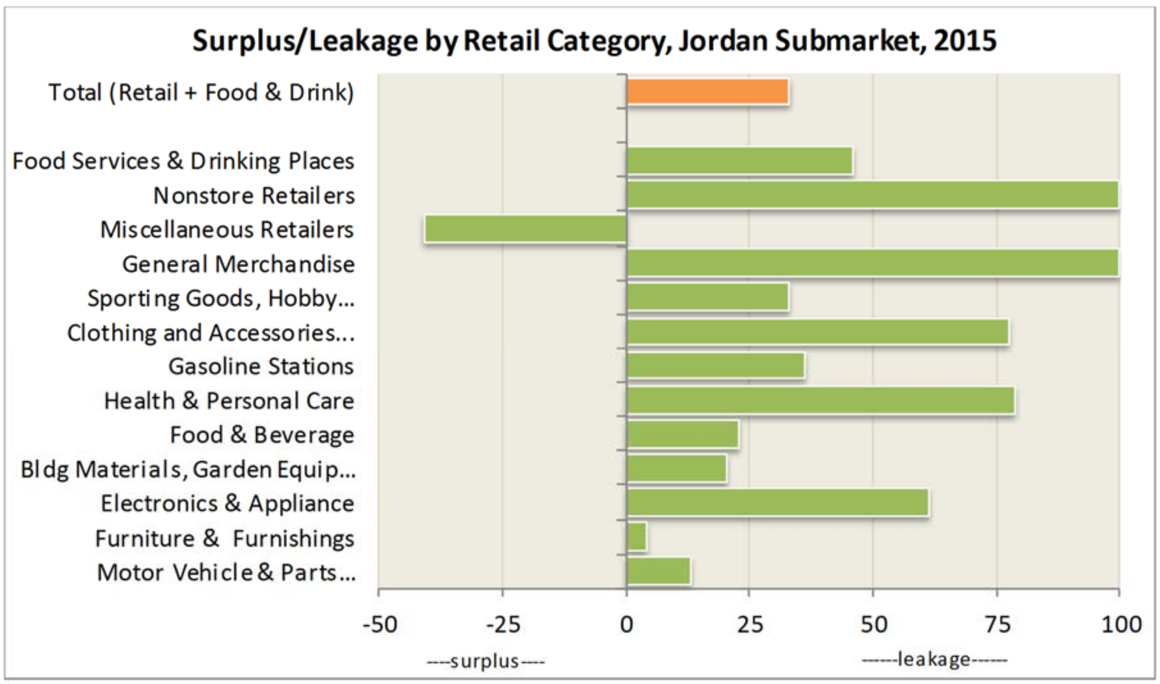
- With a leakage factor of 33.0, the Jordan submarket experienced relatively high leakage of sales opportunity relative to the other submarkets in Scott County.

- The high leakage factor for Jordan reflects the limited amount of retail square footage that exists in the community compared to other locations within Scott County.

- This data indicates that a substantial portion of retail sales to Jordan households are made at retail establishments located outside of the submarket, most likely in the nearby communities of Shakopee and Belle Plaine.

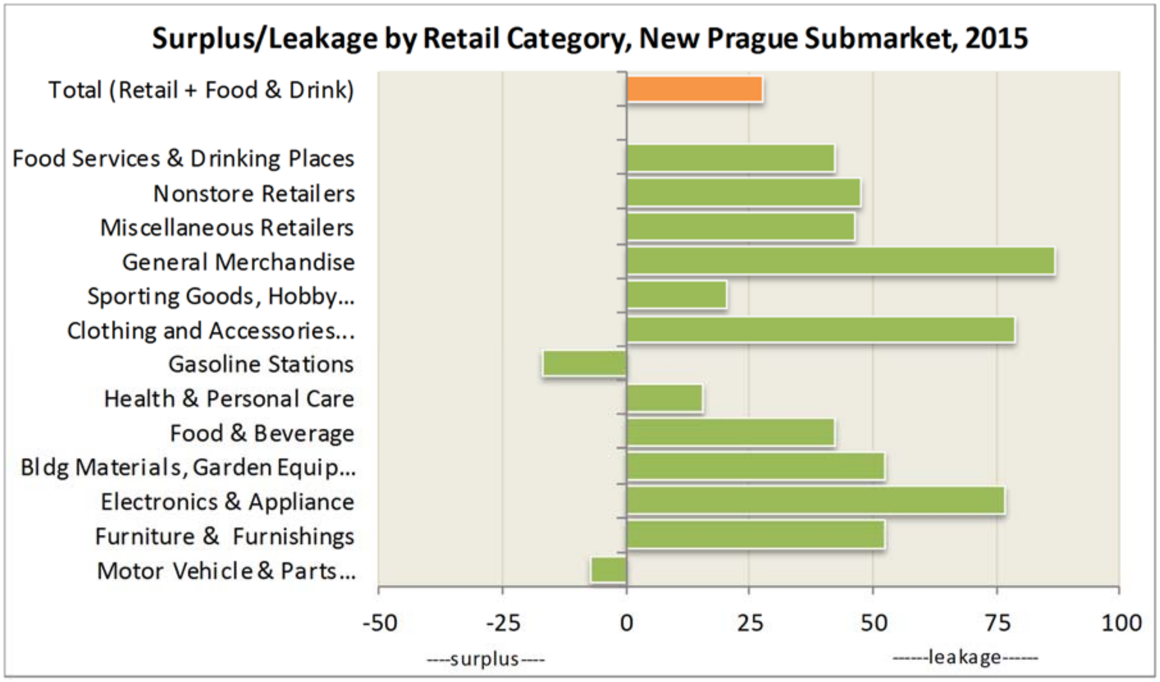
- As reported, leakage was highest among the general merchandise category and non-store retailers, as well as clothing and accessories and health and personal care item.

- There was a surplus among Miscellaneous retailers.



New Prague Submarket

- Total Retail Trade and Food and Drink in the New Prague submarket reported a leakage factor of 27.7.
- Leakages were reported in most of the major retail categories, except Gasoline Stations and Motor Vehicle and Parts Dealers.
- General Merchandise Stores and Clothing and Clothing Accessories Stores reported the greatest leakage factors, at 87 and 78.8, respectively.



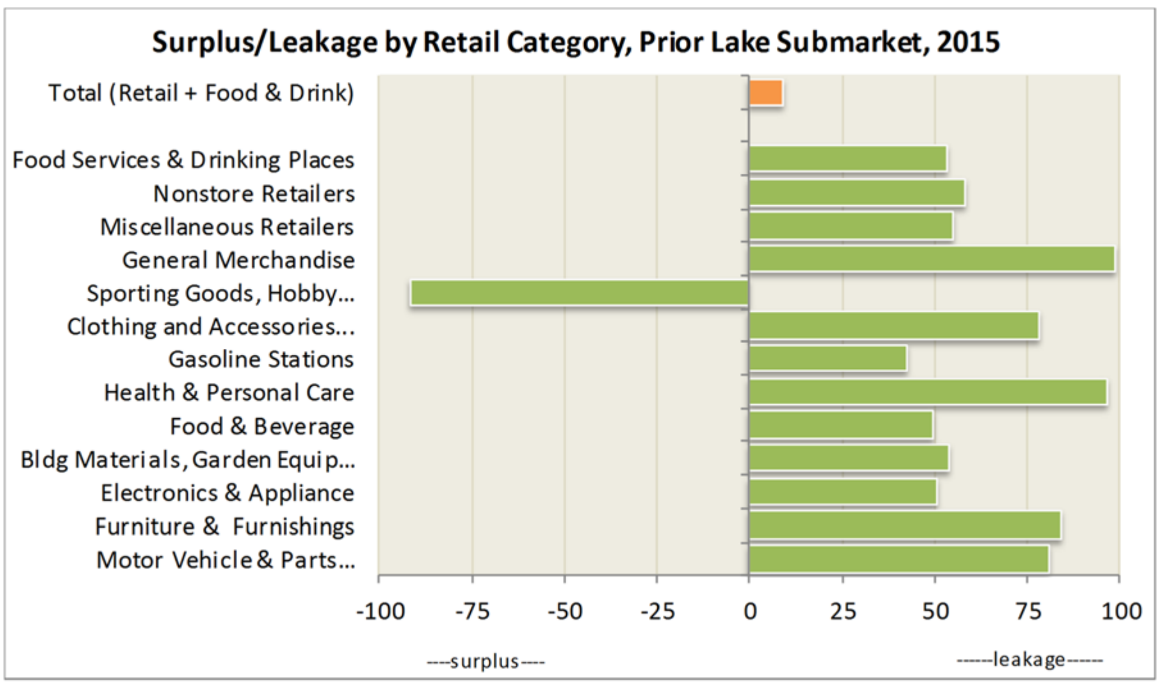
Prior Lake Submarket

- The Prior Lake submarket reported a leakage factor of 8.9. This leakage factor is similar to that for other communities that have a moderate concentration of retail goods and services, but not the more substantial square footage that is available in Shakopee or Savage.

- The categories with the highest leakage amounts are electronics and appliances, clothing and accessories and general merchandise, which sales are primarily going to locations outside of Prior Lake to Savage, Shakopee and other regional retail shopping centers nearby.

- Motor Vehicle Parts and Dealers reported a leakage of nearly $154.0 million, creating a leakage factor of 81.0.

- Meanwhile, the largest surplus was in Sporting Goods Stores with a surplus of $515 million.



Savage Submarket

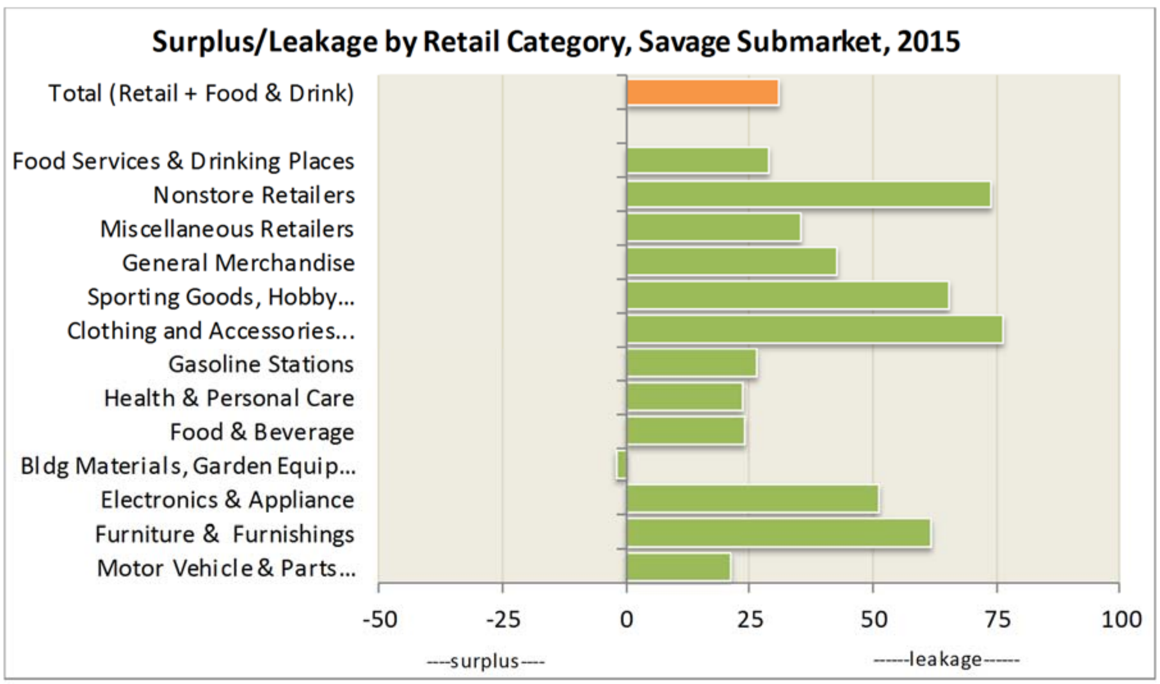
- The Savage submarket reported one of the highest leakage factors of each of the submarkets at 30.8.

- The high positive leakage factor for Savage reflects the large amount of retail shopping that occurs at other locations outside of Savage, most likely Burnsville, Shakopee and potentially Bloomington or Eden Prairie.

- The highest leakage amounts are predominantly in clothing and accessories, furniture and furnishings, and sporting goods, which are often found at large regional shopping malls and/or at specialty stores.

- Clothing and Accessories reported a leakage of $1.2 million, creating the largest leakage factor of 76.2.

- Meanwhile, the largest surplus was in Automotive Parts and Accessories, but this surplus was overshadowed by the large leakage in Automobile Dealers.



Shakopee Submarket

- The Shakopee submarket reported one of the lowest leakage factors of each of the submarkets at -1.3, indicating a surplus of sales.

- The negative leakage factor for Shakopee reflects the large amount of retail development that exists in the community and its ability to attract customers from across Scott County and beyond for various types of retail purchases.

- Despite the strong pull of Shakopee's retail base from the surrounding area, leakage remains in some categories, predominantly clothing and accessories, furniture and furnishings, and sporting goods, which are often found at large regional shopping malls and/or at specialty stores.

- Building Materials and Garden Equipment reported a surplus of $46.5 million, creating a surplus factor of 39.1.

- Meanwhile, Non-Store Retailers reported the largest leakage factor of 75.6.

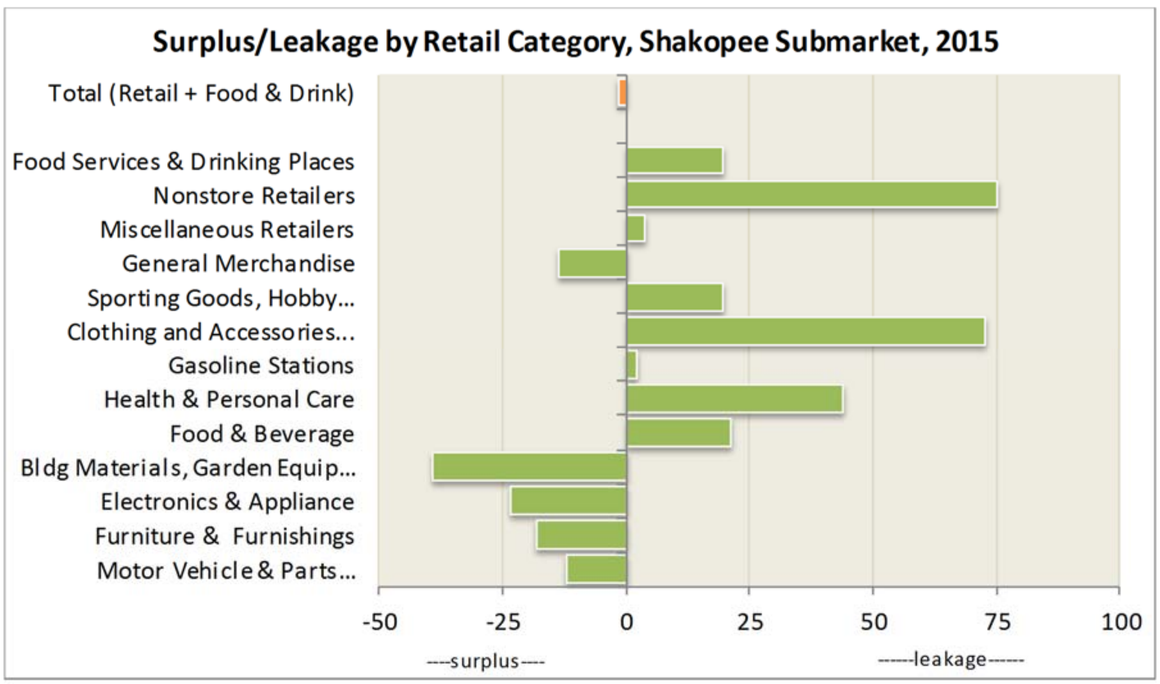


TABLE D-1
POPULATION GROWTH TRENDS, ESTIMATES AND FORECASTS
SCOTT COUNTY
2000 THROUGH 2040

	Population						Change							
	Census		Estimate	Forecast			2000 - 2010		2010 - 2020		2020 - 2030		2030 - 2040	
	2000	2010	2015	2020	2030	2040	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
City of Belle Plaine	3,789	6,661	6,742	7,800	10,100	12,600	2,872	75.8%	1,139	17.1%	2,300	29.5%	2,500	24.8%
Belle Plaine Township	806	878	939	860	820	800	72	8.9%	-18	-2.1%	-40	-4.7%	-20	-2.4%
Blakeley Township	496	418	422	400	390	390	-78	-15.7%	-18	-4.3%	-10	-2.5%	0	0.0%
Belle Plaine Submarket	***5,091***	***7,957***	***8,103***	***9,060***	***11,310***	***13,790***	***2,866***	***56.3%***	**1,103**	**13.9%**	**2,250**	**24.8%**	**2,480**	**21.9%**
Elko New Market City	804	4,110	4,555	6,100	8,600	11,900	3,306	411.2%	1,990	48.4%	2,500	41.0%	3,300	38.4%
New Market Township	3,057	3,440	3,433	3,420	3,340	3,340	383	12.5%	-20	-0.6%	-80	-2.3%	0	0.0%
Cedar Lake Township	2,197	2,779	3,008	3,070	3,350	3,610	582	26.5%	291	10.5%	280	9.1%	260	7.8%
Elko-New Market Submarket	***6,058***	***10,329***	***10,996***	***12,590***	***15,290***	***18,850***	***4,271***	***70.5%***	**2,261**	**21.9%**	**2,700**	**21.4%**	**3,560**	**23.3%**
Jordan City	3,833	5,470	6,150	6,900	8,300	9,900	1,637	42.7%	1,430	26.1%	1,400	20.3%	1,600	19.3%
St. Lawrence Township	472	483	511	550	670	800	11	2.3%	67	13.9%	120	21.8%	130	19.4%
Sand Creek Township	1,551	1,521	1,596	1,440	1,390	1,360	-30	-1.9%	-81	-5.3%	-50	-3.5%	-30	-2.2%
Jordan Submarket	***5,856***	***7,474***	***8,257***	***8,890***	***10,360***	***12,060***	***1,618***	***27.6%***	**1,416**	**18.9%**	**1,470**	**16.5%**	**1,700**	**16.4%**
New Prague City*	4,559	7,321	7,508	9,760	11,900	13,990	2,762	60.6%	2,439	33.3%	2,140	21.9%	2,090	17.6%
Helena Township	1,440	1,648	1,067	1,570	1,710	1,690	208	14.4%	-78	-4.7%	140	8.9%	-20	-1.2%
New Prague Submarket	***5,999***	***8,969***	***8,575***	***11,330***	***13,610***	***15,680***	***2,970***	***49.5%***	**2,361**	**26.3%**	**2,280**	**20.1%**	**2,070**	**15.2%**
Prior Lake City	15,917	22,796	25,049	27,500	32,500	37,600	6,879	43.2%	4,704	20.6%	5,000	18.2%	5,100	15.7%
Spring Lake Township	3,681	3,631	3,609	3,790	4,130	4,180	-50	-1.4%	159	4.4%	340	9.0%	50	1.2%
Credit River Township	3,895	5,096	5,475	5,200	5,500	5,600	1,201	30.8%	104	2.0%	300	5.8%	100	1.8%
Prior Lake Submarket	***23,493***	***31,523***	***34,133***	***36,490***	***42,130***	***47,380***	***8,030***	***34.2%***	**4,967**	**15.8%**	**5,640**	**15.5%**	**5,250**	**12.5%**
Savage City	21,115	26,911	30,024	33,400	37,400	41,100	5,796	27.4%	6,489	24.1%	4,000	12.0%	3,700	9.9%
Savage Submarket	***21,115***	***26,911***	***30,024***	***33,400***	***37,400***	***41,100***	***5,796***	***27.4%***	**6,489**	**24.1%**	**4,000**	**12.0%**	**3,700**	**9.9%**
Shakopee City	20,568	37,076	40,524	43,000	48,100	53,100	16,508	80.3%	5,924	16.0%	5,100	11.9%	5,000	10.4%
Jackson Township	1,361	1,464	1,518	1,490	1,440	1,420	103	7.6%	26	1.8%	-50	-3.4%	-20	-1.4%
Louisville Township	1,359	1,266	1,379	1,270	1,270	1,280	-93	-6.8%	4	0.3%	0	0.0%	10	0.8%
Shakopee Submarket	***23,288***	***39,806***	***43,421***	***45,651***	***50,810***	***55,800***	***16,518***	***70.9%***	**5,845**	**14.7%**	**5,159**	**11.3%**	**4,990**	**9.8%**
Scott County	**89,498**	**129,928**	**140,898**	**153,770**	**181,210**	**209,970**	***40,430***	***45.2%***	**23,842**	**18.4%**	**27,440**	**17.8%**	**28,760**	**15.9%**
Twin Cities Metro	2,642,062	2,849,567	3,005,419	3,127,660	3,388,950	3,652,060	207,505	7.9%	278,093	9.8%	261,290	8.4%	263,110	7.8%

*New Prague City is partly located in Le Sueur County

** Totals for each submarket do not add to Scott County totals as a portion of New Prague is included in Le Sueur County; allocations to SMSC are included in Scott County Totals but are excluded from Prior Lake and Shakopee cities.

Sources: Esri, Metropolitan Council, Maxfield Research and Consulting, LLC

TABLE D-2
HOUSEHOLD GROWTH TRENDS, ESTIMATES, AND FORECASTS
SCOTT COUNTY
2000 TO 2040

	Households						Change							
	Census		Estimate	Forecast			2000 - 2010		2010 - 2020		2020 - 2030		2030 - 2040	
	2000	2010	2015	2020	2030	2040	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
City of Belle Plaine	1,396	2,362	2,396	2,900	3,860	4,900	966	69.2%	538	22.8%	960	33.1%	1,040	26.9%
Belle Plaine Township	266	310	323	320	320	320	44	16.5%	10	3.2%	0	0.0%	0	0.0%
Blakeley Township	166	165	168	170	170	170	-1	-0.6%	5	3.0%	0	0.0%	0	0.0%
Belle Plaine Submarket	***1,828***	***2,837***	***2,837***	***3,390***	***4,350***	***5,390***	***1,009***	***55.2%***	**553**	**19.5%**	**960**	**28.3%**	**1,040**	**23.9%**
Elko New Market City	286	1,259	1,399	2,000	3,030	4,400	973	340.2%	741	58.9%	1,030	51.5%	1,370	45.2%
New Market Township	956	1,146	1,183	1,200	1,250	1,200	190	19.9%	54	4.7%	50	4.2%	-50	-4.0%
Cedar Lake Township	719	939	975	1,100	1,200	1,400	220	30.6%	161	17.1%	100	9.1%	200	16.7%
Elko-New Market Submarket	***1,961***	***3,344***	***3,557***	***4,300***	***5,480***	***7,000***	***1,383***	***70.5%***	**956**	**28.6%**	**1,180**	**27.4%**	**1,520**	**27.7%**
Jordan City	1,349	1,871	2,099	2,500	3,160	3,900	522	38.7%	629	33.6%	660	26.4%	740	23.4%
St. Lawrence Township	144	161	167	200	260	320	17	11.8%	39	24.2%	60	30.0%	60	23.1%
Sand Creek Township	478	554	563	560	560	560	76	15.9%	6	1.1%	0	0.0%	0	0.0%
Jordan Submarket	***1,971***	***2,586***	***2,829***	***3,260***	***3,980***	***4,780***	***615***	***31.2%***	**674**	**26.1%**	**720**	**22.1%**	**800**	**20.1%**
New Prague City*	1,694	2,711	2,784	3,630	4,440	5,280	1,017	60.0%	919	33.9%	810	22.3%	840	18.9%
Helena Township	450	548	581	619	670	700	98	21.8%	71	13.0%	51	8.2%	30	4.5%
New Prague Submarket	***2,144***	***3,259***	***3,365***	***4,249***	***5,110***	***5,980***	***1,115***	***52.0%***	**990**	**30.4%**	**861**	**20.3%**	**870**	**17.0%**
Prior Lake City	5,645	8,447	9,180	10,500	12,600	14,700	2,802	49.6%	2,053	24.3%	2,100	20.0%	2,100	16.7%
Spring Lake Township	1,217	1,267	1,257	1,400	1,560	2,100	50	4.1%	133	10.5%	160	11.4%	540	34.6%
Credit River Township	1,242	1,662	1,763	1,800	1,960	1,600	420	33.8%	138	8.3%	160	8.9%	-360	-18.4%
Prior Lake Submarket	***8,104***	***11,376***	***12,200***	***13,700***	***16,120***	***18,400***	***3,272***	***40.4%***	**2,324**	**20.4%**	**2,420**	**17.7%**	**2,280**	**14.1%**
Savage City	6,807	9,116	10,069	11,600	13,000	14,300	2,309	33.9%	2,484	27.2%	1,400	12.1%	1,300	10.0%
Savage Submarket	***6,807***	***9,116***	***9,866***	***11,600***	***13,000***	***14,300***	***2,309***	***33.9%***	**2,484**	**27.2%**	**1,400**	**12.1%**	**1,300**	**10.0%**
Shakopee City	7,540	12,772	13,573	15,000	16,900	18,800	5,232	69.4%	2,228	17.4%	1,900	12.7%	1,900	11.2%
Jackson Township	461	486	499	500	510	510	25	5.4%	14	2.9%	10	2.0%	0	0.0%
Louisville Township	410	425	450	440	450	450	15	3.7%	15	3.5%	10	2.3%	0	0.0%
Shakopee Submarket	***8,411***	***13,683***	***14,522***	***15,940***	***17,860***	***19,760***	***5,272***	***62.7%***	**2,257**	**16.5%**	**1,920**	**12.0%**	**1,900**	**10.6%**
Scott County**	**30,692**	**45,108**	**48,318**	**55,200**	**66,030**	**77,230**	***14,416***	***47.0%***	**10,092**	**22.4%**	**10,830**	**19.6%**	**11,200**	**17.0%**
Twin Cities Metro	1,021,456	1,117,749	1,176,655	1,256,580	1,378,470	1,491,780	96,293	9.4%	138,831	12.4%	121,890	9.7%	113,310	8.2%

*New Prague City is partly located in Le Sueur County

** Totals for each submarket do not add to Scott County totals as a portion of New Prague is included in Le Sueur County; allocations to SMSC are included in Scott County totals but excluded from Shakopee and Prior Lake cities.

Sources: Esri, Metropolitan Council, Maxfield Research and Consulting, LLC

TABLE D-3
HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER
SCOTT COUNTY
2015 & 2020

		Age of Householder						
	Total	**<25**	**25-34**	**35-44**	**45-54**	**55-64**	**65 -74**	**75+**
2015								
Less than $15,000	1,718	100	249	206	284	341	242	297
$15,000 to $24,999	1,957	133	266	285	264	334	311	366
$25,000 to $34,999	2,646	145	453	403	424	457	377	387
$35,000 to $49,999	4,305	200	902	698	724	634	513	634
$50,000 to $74,999	8,374	256	1,659	1,549	1,625	1,376	1,289	621
$75,000 to $99,999	8,413	177	1,549	1,883	2,141	1,496	865	303
$100,000 or more	22,487	144	2,610	7,013	7,028	4,068	1,297	326
Total	**49,900**	**1,155**	**7,687**	**12,036**	**12,489**	**8,705**	**4,894**	**2,933**
Median Income	**$91,020**	**$50,000**	**$78,740**	**$107,854**	**$107,054**	**$93,975**	**$67,373**	**$43,513**
Twin Cites Metro	*$67,795*	*$34,820*	*$58,146*	*$81,972*	*$88,167*	*$80,649*	*$58,179*	*$37,464*
2020								
Less than $15,000	1,591	113	224	176	203	296	239	340
$15,000 to $24,999	1,453	114	198	197	154	220	260	311
$25,000 to $34,999	2,126	131	354	298	262	347	359	375
$35,000 to $49,999	3,895	198	799	591	505	579	533	691
$50,000 to $74,999	8,349	309	1,621	1,444	1,301	1,358	1,474	843
$75,000 to $99,999	9,425	239	1,798	1,991	2,037	1,731	1,167	463
$100,000 or more	28,359	202	3,373	8,684	7,706	5,673	2,118	603
Total	**55,200**	**1,305**	**8,366**	**13,381**	**12,169**	**10,203**	**6,149**	**3,627**
Median Income	**$101,559**	**$55,566**	**$86,507**	**$115,800**	**$117,165**	**$106,901**	**$78,316**	**$51,830**
Twin Cites Metro	*$78,703*	*$37,641*	*$68,180*	*$92,464*	*$99,756*	*$93,254*	*$69,137*	*$42,675*
Change 2015 - 2020								
Less than $15,000	-127	13	-25	-29	-81	-45	-3	44
$15,000 to $24,999	-504	-19	-68	-89	-109	-114	-51	-55
$25,000 to $34,999	-520	-14	-99	-105	-162	-111	-18	-12
$35,000 to $49,999	-410	-2	-103	-107	-219	-55	20	57
$50,000 to $74,999	-24	52	-38	-105	-324	-18	185	222
$75,000 to $99,999	1,012	62	249	108	-103	235	302	160
$100,000 or more	5,873	58	763	1,672	678	1,605	820	277
Total	**5,300**	**150**	**679**	**1,345**	**-321**	**1,498**	**1,256**	**693**
Median Income	**$10,539**	**$5,566**	**$7,767**	**$7,946**	**$10,111**	**$12,926**	**$10,943**	**$8,317**
Twin Cites Metro	*$10,908*	*$2,821*	*$10,034*	*$10,492*	*$11,589*	*$12,605*	*$10,958*	*$5,211*

Sources: ESRI; US Census Bureau; Maxfield Research & Consulting, LLC

TABLE D-4
HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER
BELLE PLAINE SUBMARKET
2015 & 2020

		Age of Householder						
	Total	<25	25-34	35-44	45-54	55-64	65 -74	75+
2015								
Less than $15,000	182	9	32	22	30	35	22	33
$15,000 to $24,999	193	8	31	24	22	29	33	47
$25,000 to $34,999	236	9	32	37	35	45	34	43
$35,000 to $49,999	263	28	50	47	29	32	32	45
$50,000 to $74,999	551	15	108	122	123	99	63	21
$75,000 to $99,999	625	19	101	170	170	98	39	28
$100,000 or more	788	5	123	313	197	90	41	19
Total	**2,837**	**94**	**476**	**735**	**607**	**428**	**263**	**236**
Median Income	**$74,793**	**$44,714**	**$70,438**	**$89,865**	**$81,975**	**$66,143**	**$52,863**	**$33,582**
2020								
Less than $15,000	186	11	30	19	28	37	23	37
$15,000 to $24,999	151	9	23	19	15	21	27	37
$25,000 to $34,999	206	9	27	30	25	41	33	40
$35,000 to $49,999	262	34	47	41	24	32	34	49
$50,000 to $74,999	603	21	114	125	123	115	79	25
$75,000 to $99,999	815	31	129	205	209	141	60	40
$100,000 or more	1,167	10	189	444	264	155	72	32
Total	**3,390**	**124**	**560**	**883**	**689**	**543**	**330**	**261**
Median Income	**$81,675**	**$49,682**	**$80,406**	**$100,140**	**$87,685**	**$78,000**	**$61,946**	**$38,778**
Change 2015 - 2020								
Less than $15,000	4	2	-1	-3	-2	2	2	5
$15,000 to $24,999	-42	1	-7	-5	-7	-8	-5	-10
$25,000 to $34,999	-29	-0	-4	-7	-10	-4	-1	-2
$35,000 to $49,999	-1	6	-3	-6	-5	1	3	4
$50,000 to $74,999	53	5	7	3	0	17	17	5
$75,000 to $99,999	190	12	29	35	39	43	21	12
$100,000 or more	378	4	66	131	67	66	32	13
Total	**553**	**30**	**85**	**148**	**82**	**115**	**67**	**26**
Median Income	**$6,882**	**$4,968**	**$9,968**	**$10,275**	**$5,710**	**$11,857**	**$9,083**	**$5,196**

Sources: ESRI; US Census Bureau; Maxfield Research & Consulting, LLC

TABLED-5
HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER
ELKO-NEW MARKET SUBMARKET
2015 & 2020

		Age of Householder						
	Total	**<25**	**25-34**	**35-44**	**45-54**	**55-64**	**65 -74**	**75+**
2015								
Less than $15,000	80	2	1	16	18	26	13	4
$15,000 to $24,999	68	4	10	17	7	9	19	2
$25,000 to $34,999	101	2	15	18	15	23	18	10
$35,000 to $49,999	220	10	35	24	52	35	25	39
$50,000 to $74,999	689	11	106	120	147	105	128	73
$75,000 to $99,999	596	8	103	165	152	104	56	8
$100,000 or more	1,886	3	142	615	652	367	96	11
Total	**3,640**	**40**	**412**	**975**	**1,043**	**668**	**355**	**147**
Median Income	**$103,051**	**$52,867**	**$82,182**	**$118,693**	**$124,423**	**$111,390**	**$67,664**	**$52,970**
2020								
Less than $15,000	74	5	1	13	15	21	13	5
$15,000 to $24,999	50	3	10	11	4	5	14	2
$25,000 to $34,999	79	2	14	13	9	16	14	11
$35,000 to $49,999	203	11	38	20	36	29	27	42
$50,000 to $74,999	769	15	139	114	129	113	160	99
$75,000 to $99,999	617	10	124	153	137	108	74	12
$100,000 or more	2,508	4	210	786	780	534	173	21
Total	**4,300**	**51**	**535**	**1,110**	**1,110**	**827**	**475**	**192**
Median Income	**$120,764**	**$54,003**	**$85,929**	**$148,019**	**$153,691**	**$151,354**	**$77,349**	**$54,760**
Change 2015 - 2020								
Less than $15,000	-6	3	0	-3	-3	-5	0	1
$15,000 to $24,999	-18	-1	-0	-6	-3	-4	-5	0
$25,000 to $34,999	-22	0	-1	-5	-6	-7	-4	1
$35,000 to $49,999	-17	1	3	-4	-16	-6	2	3
$50,000 to $74,999	80	4	33	-6	-18	8	32	26
$75,000 to $99,999	21	2	21	-12	-15	4	18	4
$100,000 or more	621	1	68	171	127	168	77	10
Total	**660**	**11**	**124**	**135**	**67**	**158**	**120**	**45**
Median Income	**$17,713**	**$1,136**	**$3,747**	**$29,326**	**$29,268**	**$39,964**	**$9,685**	**$1,790**

Sources: ESRI; US Census Bureau; Maxfield Research & Consulting, LLC

TABLE D-6
HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER
JORDAN SUBMARKET
2015 & 2020

		Age of Householder						
	Total	<25	25-34	35-44	45-54	55-64	65 -74	75+
2015								
Less than $15,000	129	4	11	16	14	25	33	26
$15,000 to $24,999	114	2	20	9	25	25	12	21
$25,000 to $34,999	227	15	36	47	38	39	29	24
$35,000 to $49,999	307	24	49	54	50	56	42	32
$50,000 to $74,999	477	12	80	91	97	93	87	17
$75,000 to $99,999	488	16	86	99	132	78	44	33
$100,000 or more	1,087	11	133	356	330	189	61	8
Total	**2,829**	**84**	**416**	**671**	**685**	**504**	**308**	**161**
Median Income	**$81,607**	**$47,095**	**$77,210**	**$102,902**	**$96,910**	**$78,686**	**$58,021**	**$38,353**
2020								
Less than $15,000	122	4	9	10	11	20	37	30
$15,000 to $24,999	86	2	15	6	16	17	11	20
$25,000 to $34,999	186	13	29	35	25	31	29	24
$35,000 to $49,999	293	24	45	45	40	55	48	36
$50,000 to $74,999	479	13	80	82	80	94	107	24
$75,000 to $99,999	574	22	103	107	139	95	61	47
$100,000 or more	1,519	16	200	484	415	276	113	16
Total	**3,260**	**95**	**480**	**767**	**726**	**589**	**406**	**196**
Median Income	**$93,856**	**$55,599**	**$88,057**	**$111,887**	**$109,177**	**$93,901**	**$65,756**	**$43,852**
Change 2015 - 2020								
Less than $15,000	-6	0	-2	-6	-3	-4	4	5
$15,000 to $24,999	-27	0	-6	-3	-9	-8	-1	-1
$25,000 to $34,999	-41	-2	-7	-12	-13	-7	0	-0
$35,000 to $49,999	-14	-0	-4	-9	-10	-1	6	4
$50,000 to $74,999	2	2	-1	-9	-17	1	20	6
$75,000 to $99,999	86	6	17	8	7	17	17	14
$100,000 or more	432	5	67	127	85	87	52	8
Total	**431**	**12**	**64**	**96**	**41**	**85**	**98**	**35**
Median Income	**$12,249**	**$8,504**	**$10,847**	**$8,985**	**$12,267**	**$15,215**	**$7,735**	**$5,499**

Sources: ESRI; US Census Bureau; Maxfield Research & Consulting, LLC

TABLE D-7
HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER
NEW PRAGUE SUBMARKET
2015 & 2020

		Age of Householder						
	Total	**<25**	**25-34**	**35-44**	**45-54**	**55-64**	**65 -74**	**75+**
2015								
Less than $15,000	216	15	33	19	33	40	31	45
$15,000 to $24,999	191	12	18	25	22	39	26	49
$25,000 to $34,999	311	12	46	31	44	55	36	87
$35,000 to $49,999	498	40	113	68	80	55	60	82
$50,000 to $74,999	670	26	159	104	125	114	93	50
$75,000 to $99,999	555	9	93	122	173	92	43	23
$100,000 or more	1,002	20	135	285	293	175	65	30
Total	**3,442**	**134**	**596**	**653**	**769**	**570**	**354**	**366**
Median Income	**$66,965**	**$43,958**	**$61,008**	**$89,495**	**$84,426**	**$69,623**	**$54,327**	**$35,232**
2020								
Less than $15,000	197	15	29	16	24	38	31	44
$15,000 to $24,999	138	9	14	16	12	27	22	38
$25,000 to $34,999	245	9	34	22	26	43	34	77
$35,000 to $49,999	440	36	94	57	54	52	63	84
$50,000 to $74,999	644	28	154	95	88	118	106	55
$75,000 to $99,999	666	11	113	150	169	124	66	33
$100,000 or more	1,293	28	186	374	301	251	108	45
Total	**3,622**	**136**	**624**	**730**	**674**	**653**	**430**	**376**
Median Income	**$79,201**	**$49,389**	**$71,949**	**$100,712**	**$92,966**	**$82,825**	**$62,625**	**$38,856**
Change 2015 - 2020								
Less than $15,000	-19	0	-4	-3	-9	-2	0	-1
$15,000 to $24,999	-53	-3	-4	-9	-10	-12	-4	-11
$25,000 to $34,999	-66	-3	-12	-9	-18	-12	-2	-10
$35,000 to $49,999	-58	-4	-19	-11	-26	-3	3	2
$50,000 to $74,999	-27	2	-5	-9	-37	4	13	5
$75,000 to $99,999	111	2	20	28	-4	32	23	10
$100,000 or more	291	8	51	89	8	76	43	15
Total	**180**	**2**	**27**	**76**	**-96**	**83**	**76**	**10**
Median Income	**$12,236**	**$5,431**	**$10,941**	**$11,217**	**$8,540**	**$13,202**	**$8,298**	**$3,624**

Sources: ESRI; US Census Bureau; Maxfield Research & Consulting, LLC

TABLE D-8
HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER
PRIOR LAKE SUBMARKET
2015 & 2020

		Age of Householder						
	Total	<25	25-34	35-44	45-54	55-64	65 -74	75+
2015								
Less than $15,000	311	20	28	27	51	79	55	51
$15,000 to $24,999	361	24	35	45	63	68	61	65
$25,000 to $34,999	595	23	109	67	111	103	107	75
$35,000 to $49,999	996	40	166	164	182	135	129	180
$50,000 to $74,999	2,024	56	305	294	362	362	428	217
$75,000 to $99,999	1,937	37	314	329	471	413	280	93
$100,000 or more	6,138	38	544	1,401	2,069	1,419	547	120
Total	**12,360**	**238**	**1,501**	**2,326**	**3,309**	**2,578**	**1,607**	**801**
Median Income	**$99,295**	**$53,617**	**$81,614**	**$115,284**	**$117,014**	**$107,021**	**$76,520**	**$52,094**
2020								
Less than $15,000	280	21	28	20	30	71	50	60
$15,000 to $24,999	260	22	29	31	34	46	50	48
$25,000 to $34,999	470	19	96	48	59	72	101	75
$35,000 to $49,999	895	40	160	138	115	117	123	204
$50,000 to $74,999	1,951	63	312	250	241	319	463	303
$75,000 to $99,999	2,077	50	377	323	398	436	352	141
$100,000 or more	7,766	55	785	1,679	2,134	1,967	898	247
Total	**13,700**	**272**	**1,787**	**2,489**	**3,011**	**3,026**	**2,037**	**1,078**
Median Income	**$109,454**	**$60,192**	**$90,994**	**$128,003**	**$131,522**	**$123,013**	**$89,607**	**$59,578**
Change 2015 - 2020								
Less than $15,000	-31	1	-0	-7	-21	-8	-5	9
$15,000 to $24,999	-101	-1	-6	-14	-29	-22	-11	-17
$25,000 to $34,999	-124	-4	-13	-19	-52	-31	-6	-0
$35,000 to $49,999	-101	-0	-6	-26	-67	-18	-6	24
$50,000 to $74,999	-72	7	7	-44	-121	-43	35	86
$75,000 to $99,999	141	13	63	-6	-73	23	72	48
$100,000 or more	1,629	17	242	279	65	548	351	128
Total	**1,340**	**34**	**286**	**163**	**-298**	**448**	**431**	**277**
Median Income	**$10,159**	**$6,575**	**$9,380**	**$12,719**	**$14,508**	**$15,992**	**$13,087**	**$7,484**

Sources: ESRI; US Census Bureau; Maxfield Research & Consulting, LLC

TABLE D-9
HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER
SAVAGE SUBMARKET
2015 & 2020

		Age of Householder						
	Total	<25	25-34	35-44	45-54	55-64	65 -74	75+
2015								
Less than $15,000	203	17	26	27	45	24	37	27
$15,000 to $24,999	314	25	23	34	49	67	48	68
$25,000 to $34,999	391	17	64	74	71	84	43	38
$35,000 to $49,999	653	19	167	114	128	124	56	45
$50,000 to $74,999	1,507	44	348	266	298	247	202	102
$75,000 to $99,999	1,790	24	351	376	445	341	208	45
$100,000 or more	5,008	13	591	1,491	1,663	940	255	55
Total	**9,866**	**159**	**1,570**	**2,382**	**2,699**	**1,827**	**849**	**380**
Median Income	**$100,645**	**$50,486**	**$83,931**	**$110,981**	**$110,319**	**$101,133**	**$78,207**	**$51,797**
2020								
Less than $15,000	189	22	23	25	25	16	38	40
$15,000 to $24,999	235	21	18	22	24	42	39	69
$25,000 to $34,999	304	17	44	57	37	63	42	44
$35,000 to $49,999	563	16	139	101	79	115	58	55
$50,000 to $74,999	1,448	48	303	259	213	246	231	148
$75,000 to $99,999	1,961	29	393	403	371	396	282	87
$100,000 or more	5,903	14	738	1,815	1,595	1,277	374	90
Total	**10,603**	**167**	**1,658**	**2,682**	**2,344**	**2,155**	**1,064**	**533**
Median Income	**$105,141**	**$52,381**	**$92,464**	**$116,429**	**$117,838**	**$108,021**	**$83,492**	**$57,079**
Change 2015 - 2020								
Less than $15,000	-14	5	-3	-2	-20	-8	1	13
$15,000 to $24,999	-79	-4	-5	-12	-25	-25	-9	1
$25,000 to $34,999	-87	0	-20	-17	-34	-21	-1	6
$35,000 to $49,999	-90	-3	-28	-13	-49	-9	2	10
$50,000 to $74,999	-59	4	-45	-7	-85	-1	29	46
$75,000 to $99,999	171	5	42	27	-74	55	74	42
$100,000 or more	895	1	147	324	-68	337	119	35
Total	**737**	**8**	**88**	**300**	**-355**	**328**	**215**	**153**
Median Income	**$4,496**	**$1,895**	**$8,533**	**$5,448**	**$7,519**	**$6,888**	**$5,285**	**$5,282**

Sources: ESRI; US Census Bureau; Maxfield Research & Consulting, LLC

TABLE D-10
HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER
SHAKOPEE SUBMARKET
2015 & 2020

		Age of Householder						
	Total	<25	25-34	35-44	45-54	55-64	65 -74	75+
2015								
Less than $15,000	607	35	119	82	95	113	57	106
$15,000 to $24,999	722	60	128	131	80	101	115	107
$25,000 to $34,999	787	64	155	124	116	102	106	120
$35,000 to $49,999	1,468	53	348	242	219	201	185	220
$50,000 to $74,999	2,415	100	550	532	465	343	293	132
$75,000 to $99,999	2,377	59	500	620	596	345	186	71
$100,000 or more	6,241	61	917	2,453	1,716	808	208	77
Total	**14,618**	**432**	**2,717**	**4,185**	**3,287**	**2,013**	**1,150**	**833**
Median Income	**$86,876**	**$50,618**	**$77,120**	**$107,025**	**$102,215**	**$83,716**	**$56,929**	**$39,164**
2020								
Less than $15,000	571	38	105	73	75	104	54	122
$15,000 to $24,999	547	49	91	95	52	67	99	93
$25,000 to $34,999	651	60	112	93	85	78	104	119
$35,000 to $49,999	1,362	55	298	207	174	188	200	240
$50,000 to $74,999	2,483	131	520	518	434	356	343	181
$75,000 to $99,999	2,746	81	563	680	639	417	264	103
$100,000 or more	7,980	88	1,044	3,072	2,162	1,127	345	142
Total	**16,340**	**501**	**2,733**	**4,738**	**3,621**	**2,337**	**1,409**	**1,000**
Median Income	**$97,745**	**$56,669**	**$83,573**	**$114,633**	**$111,856**	**$96,726**	**$65,696**	**$43,971**
Change 2015 - 2020								
Less than $15,000	-36	3	-14	-9	-20	-9	-3	16
$15,000 to $24,999	-175	-11	-37	-36	-28	-34	-16	-14
$25,000 to $34,999	-136	-4	-43	-31	-31	-24	-2	-1
$35,000 to $49,999	-106	2	-50	-35	-45	-13	15	20
$50,000 to $74,999	67	31	-30	-14	-31	13	50	49
$75,000 to $99,999	369	22	63	60	43	72	78	32
$100,000 or more	1,739	27	127	618	445	319	137	65
Total	**1,722**	**69**	**15**	**554**	**334**	**324**	**259**	**167**
Median Income	**$10,869**	**$6,051**	**$6,453**	**$7,608**	**$9,641**	**$13,010**	**$8,767**	**$4,807**

Sources: ESRI; US Census Bureau; Maxfield Research & Consulting, LLC

TABLE D-11
HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER
METRO AREA
2015 & 2020

		Age of Householder						
	Total	**<25**	**25-34**	**35-44**	**45-54**	**55-64**	**65 -74**	**75+**
2015								
Less than $15,000	96,846	10,073	19,403	11,718	12,822	17,553	11,113	14,164
$15,000 to $24,999	82,842	6,682	15,102	10,906	9,812	13,508	10,535	16,297
$25,000 to $34,999	95,100	6,802	19,623	13,104	12,480	14,324	12,147	16,620
$35,000 to $49,999	143,431	7,924	29,440	21,804	20,583	20,438	21,855	21,387
$50,000 to $74,999	210,437	7,711	41,135	36,586	39,991	37,190	29,933	17,891
$75,000 to $99,999	172,540	3,994	32,206	34,033	38,825	34,327	21,864	7,291
$100,000 or more	363,929	3,745	45,016	83,647	103,536	88,200	29,487	10,298
Total	**1,165,125**	**46,931**	**201,925**	**211,798**	**238,049**	**225,540**	**136,934**	**103,948**
Median Income	**$67,795**	**$34,820**	**$58,146**	**$81,972**	**$88,167**	**$80,649**	**$58,179**	**$37,464**
2020								
Less than $15,000	93,350	10,292	18,013	11,556	10,451	15,436	12,035	15,567
$15,000 to $24,999	63,123	5,595	11,363	8,212	6,053	8,432	9,321	14,147
$25,000 to $34,999	79,853	6,052	15,569	10,972	8,631	10,739	11,792	16,098
$35,000 to $49,999	131,056	7,401	25,704	19,764	14,784	17,438	22,869	23,096
$50,000 to $74,999	204,924	8,136	38,623	35,639	31,074	34,643	34,739	22,070
$75,000 to $99,999	200,136	4,935	36,825	40,026	37,654	38,405	31,320	10,971
$100,000 or more	449,897	4,914	56,610	106,825	108,098	108,525	47,447	17,478
Total	**1,222,339**	**47,325**	**202,707**	**232,994**	**216,745**	**233,618**	**169,523**	**119,427**
Median Income	**$78,703**	**$37,641**	**$68,180**	**$92,464**	**$99,756**	**$93,254**	**$69,137**	**$42,675**
Change 2015 - 2020								
Less than $15,000	-3,496	219	-1,390	-162	-2,371	-2,117	922	1,403
$15,000 to $24,999	-19,719	-1,087	-3,739	-2,694	-3,759	-5,076	-1,214	-2,150
$25,000 to $34,999	-15,247	-750	-4,054	-2,132	-3,849	-3,585	-355	-522
$35,000 to $49,999	-12,375	-523	-3,736	-2,040	-5,799	-3,000	1,014	1,709
$50,000 to $74,999	-5,513	425	-2,512	-947	-8,917	-2,547	4,806	4,179
$75,000 to $99,999	27,596	941	4,619	5,993	-1,171	4,078	9,456	3,680
$100,000 or more	85,968	1,169	11,594	23,178	4,562	20,325	17,960	7,180
Total	**57,214**	**394**	**782**	**21,196**	**-21,304**	**8,078**	**32,589**	**15,479**
Median Income	**$10,908**	**$2,821**	**$10,034**	**$10,492**	**$11,589**	**$12,605**	**$10,958**	**$5,211**

Sources: ESRI; US Census Bureau; Maxfield Research & Consulting, LLC

TABLE D-12
OCCUPATION
SCOTT COUNTY
2014

	Belle Plaine MA		Elko-New Market MA		Jordan MA		New Prague MA	
	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.
Total Employed Population 16 years +	4,216	100.0%	6,801	100.0%	4,254	100.0%	4,857	100.0%
Mgmt., business , science, arts	1,489	35.3%	150	2.2%	1,643	38.6%	2,045	42.1%
Service occupations	640	15.2%	1,546	22.7%	525	12.3%	821	16.9%
Sales and office occupations	1,033	24.5%	2,529	37.2%	952	22.4%	875	18.0%
Natural res., construct. maintenance	400	9.5%	1,730	25.4%	444	10.4%	415	8.5%
Production, transp. & material moving	654	15.5%	846	12.4%	690	16.2%	701	14.4%
Note: Self-Employed Persons	408	9.7%	722	10.6%	857	20.1%	451	9.3%

	Prior Lake MA		Savage		Shakopee MA		Scott County	
	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.
Total Employed Population 16 years +	17,489	100.0%	15,517	100.0%	22,298	100.0%	72,883	100.0%
Mgmt., business , science, arts	7,936	45.4%	6,395	41.2%	8,971	40.2%	30,328	41.6%
Service occupations	2,169	12.4%	1,967	12.7%	4,008	18.0%	10,765	14.8%
Sales and office occupations	4,157	23.8%	4,262	27.5%	5,191	23.3%	17,551	24.1%
Natural res., construct. maintenance	1,461	8.4%	1,221	7.9%	1,154	5.2%	5,521	7.6%
Production, transp. & material moving	1,766	10.1%	1,672	10.8%	2,974	13.3%	8,718	12.0%
Note: Self-employed Persons	2,025	11.6%	1,142	7.4%	1,402	6.3%	6,462	8.9%

Note: New Prague city included in its entirety. Self-employed workers shown as a subset of the various occupation categories.

Source: American Community Survey: 2010-2014

TABLE D-13
EDUCATIONAL ATTAINMENT
SCOTT COUNTY
2014

	Belle Plaine MA		Elko-New Market MA		Jordan MA		New Prague MA	
	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.
Total Population 25 years and Over	5,287	100.0%	6,801	100.0%	4,972	100.0%	5,644	100.0%
Less than high school graduate	198	3.7%	150	2.2%	289	5.8%	425	7.5%
High school graduate	1,919	36.3%	1,546	22.7%	1,416	28.5%	1,487	26.3%
Some college or associate's degree	1,739	32.9%	2,529	37.2%	1,737	34.9%	1,817	32.2%
Bachelor's degree	1,086	20.5%	1,730	25.4%	1,162	23.4%	1,358	24.1%
Graduate or Professional Degree	345	6.5%	846	12.4%	368	7.4%	557	9.9%

	Prior Lake MA		Savage		Shakopee MA		Scott County	
	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.
Total Population 25 years and Over	21,513	100.0%	17,836	100.0%	25,684	100.0%	85,951	100.0%
Less than high school graduate	824	3.8%	944	5.3%	1,980	7.7%	4,641	5.4%
High school graduate	4,557	21.2%	3,296	18.5%	6,510	25.3%	20,370	23.7%
Some college or associate's degree	7,150	33.2%	6,005	33.7%	7,546	29.4%	28,020	32.6%
Bachelor's degree	6,690	31.1%	5,613	31.5%	6,910	26.9%	24,066	28.0%
Graduate or Professional Degree	2,293	10.7%	1,978	11.1%	2,739	10.7%	8,853	10.3%

Source: American Community Survey: 2010-2014

TABLE D-14
MOBILITY IN THE PAST YEAR BY AGE FOR CURRENT RESIDENCE
SCOTT COUNTY
2014

	Not Moved		Moved							
	Same House		Within Same County		Different County Same State		Different State		Abroad	
Age	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Under 18	34,346	25.7%	1,517	1.1%	1,541	1.2%	502	0.4%	121	0.1%
18 to 24	7,475	5.6%	650	0.5%	988	0.7%	256	0.2%	47	0.0%
25 to 34	14,671	11.0%	944	0.7%	1,803	1.4%	297	0.2%	79	0.1%
35 to 44	19,652	14.7%	800	0.6%	1,130	0.8%	278	0.2%	67	0.1%
45 to 54	20,348	15.3%	417	0.3%	605	0.5%	93	0.1%	20	0.0%
55 to 64	12,401	9.3%	215	0.2%	337	0.3%	110	0.1%	50	0.0%
65 to 74	6,554	4.9%	86	0.1%	274	0.2%	45	0.0%	34	0.0%
75+	4,268	3.2%	141	0.1%	144	0.1%	87	0.1%	1	0.0%
Total	**119,715**	**89.7%**	**4770**	**3.6%**	**6822**	**5.1%**	**1668**	**1.3%**	**419**	**0.3%**

Sources: American Community Survey 2010-2014; Maxfield Reseach and Consulting, LLC

TABLE D-15
ESTIMATED HOUSEHOLD EXPENDITURES BY SELECTED PRODUCT TYPE
Belle Plaine Submarket & Twin Cities Metro Area
2015

	Belle Plaine Submarket Annual Expenditures		Twin Cities Expenditures	Spending Potential Index to USA	
Category	Total ($000's)	Average Per HH	Average Per HH	PMA	Twin Cities
Goods & Services				Index	Index
Apparel & Services	$6,856	$2,281	$2,497	113	124
Entertainment and Recreation	$9,997	$3,326	$3,553	114	122
Nonprescription Drugs	$397	$132	$146	106	118
Prescription Drugs	$1,311	$436	$476	104	114
Eye Glasses & Contact Lenses	$296	$98	$107	110	119
Personal Care Products	$1,468	$489	$532	112	122
Child Care	$1,675	$557	$553	132	131
School Books & Supplies	$571	$190	$205	116	125
Smoking Products	$1,159	$385	$455	94	111
Computer Hardware	$609	$203	$221	117	128
Computer Software	$46	$15	$17	117	129
Pets	$1,798	$598	$631	112	118
Food				Index	Index
Food at Home	$16,447	$5,472	$6,004	110	120
Food Away from Home	$10,585	$3,521	$3,826	114	124
Alcoholic Beverages	$1,728	$575	$644	112	126
Home				Index	Index
Home Mortgage Payment/Rent	$32,762	$10,899	$10,597	127	124
Maintenance & Remodeling Services	$6,217	$2,068	$2,112	118	120
Maintenance & Remodeling Materials	$1,273	$424	$416	117	115
Utilities	$16,156	$5,375	$5,776	110	118
Household Furnishings, Equipment, & Operations				Index	Index
Household Textiles	$299	$99	$107	114	123
Furniture	$1,717	$571	$617	116	125
Rugs	$87	$29	$31	119	126
Major Appliances	$998	$332	$337	117	119
Small Appliances	$159	$53	$58	112	122
Housewares	$285	$95	$103	113	123
Luggage	$33	$11	$12	120	129
Telephone & Accessories	$241	$80	$89	112	125
Lawn & Garden	$1,370	$456	$474	112	116
Moving/Storage/Freight Express	$210	$70	$79	110	125
Housekeeping Supplies	$2,323	$773	$845	110	120
Financial & Insurance				Index	Index
Investments	$24,257	$8,069	$9,435	108	126
Vehicle Loans	$8,362	$2,782	$2,940	114	121
Owners & Renters Insurance	$1,561	$519	$532	112	115
Vehicle Insurance	$3,770	$1,254	$1,347	112	120
Life/Other Insurance	$1,408	$468	$494	113	119
Health Insurance	$11,305	$3,761	$4,008	111	119

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TABLE D-15 CONTINUED
ESTIMATED HOUSEHOLD EXPENDITURES BY SELECTED PRODUCT TYPE
Belle Plaine Submarket & Twin Cities Metro Area
2015

	Belle Plaine Submarket Annual Expenditures		Twin Cities Expenditures	Spending Potential Index to USA	
Category	**Total ($000's)**	**Average Per HH**	**Average Per HH**	**PMA**	**Twin Cities**
Transportation				**Index**	**Index**
Cars and Trucks (Net Outlay)	$7,231	$2,406	$2,477	116	119
Gasoline and Motor Oil	$10,286	$3,422	$3,637	111	118
Vehicle Maintenance/Repair	$3,486	$1,160	$1,248	112	121
Travel				**Index**	**Index**
Airline Fares	$1,632	$543	$584	119	128
Lodging	$1,639	$545	$578	118	125
Vehicle Rental	$86	$28	$30	119	125
Food & Drink on Trips	$1,543	$513	$544	117	124
Average Annual Household Expenditures Summary					
Goods & Services	$26,183	$8,112	$8,762		
Food	$28,761	$9,568	$10,474		
Home	$56,409	$18,765	$18,901		
Household	$7,721	$2,568	$2,753		
Financial and Insurance	$50,662	$16,854	$18,755		
Transportation	$21,003	$6,987	$7,363		
Travel	$4,901	$1,630	$1,736		
Total	***$195,639***	***$64,485***	***$68,744***		

Note: The Spending Potential Index is based on households and represents the amount spent for a product or service relative to the national average of 100.

Sources: ESRI; Maxfield Research & Consulting, LLC

TABLE D-16
ESTIMATED HOUSEHOLD EXPENDITURES BY SELECTED PRODUCT TYPE
Elko New Market Submarket & Twin Cities Metro Area
2015

	Elko New Market Sub. Annual Expenditures		Twin Cities Expenditures	Spending Potential Index to USA	
Category	Total ($000's)	Average Per HH	Average Per HH	PMA	Twin Cities
Goods & Services				**Index**	**Index**
Apparel & Services	$11,486	$3,126	$2,497	155	124
Entertainment and Recreation	$16,822	$4,577	$3,553	157	122
Nonprescription Drugs	$653	$178	$146	143	118
Prescription Drugs	$2,105	$573	$476	137	114
Eye Glasses & Contact Lenses	$499	$136	$107	152	119
Personal Care Products	$2,426	$660	$532	152	122
Child Care	$2,943	$801	$553	189	131
School Books & Supplies	$993	$270	$205	164	125
Smoking Products	$1,605	$437	$455	107	111
Computer Hardware	$1,016	$276	$221	160	128
Computer Software	$72	$20	$17	151	129
Pets	$3,031	$825	$631	154	118
Food				**Index**	**Index**
Food at Home	$26,074	$7,095	$6,004	142	120
Food Away from Home	$17,540	$4,773	$3,826	154	124
Alcoholic Beverages	$2,874	$782	$644	153	126
Home				**Index**	**Index**
Home Mortgage Payment/Rent	$58,371	$15,883	$10,597	185	124
Maintenance & Remodeling Services	$11,458	$3,118	$2,112	178	120
Maintenance & Remodeling Materials	$2,242	$610	$416	168	115
Utilities	$25,239	$6,868	$5,776	141	118
Household Furnishings, Equipment, & Operations				**Index**	**Index**
Household Textiles	$503	$137	$107	157	123
Furniture	$2,895	$788	$617	160	125
Rugs	$150	$41	$31	167	126
Major Appliances	$1,705	$464	$337	164	119
Small Appliances	$254	$69	$58	147	122
Housewares	$468	$127	$103	152	123
Luggage	$61	$16	$12	178	129
Telephone & Accessories	$381	$104	$89	146	125
Lawn & Garden	$2,435	$662	$474	163	116
Moving/Storage/Freight Express	$333	$90	$79	143	125
Housekeeping Supplies	$3,808	$1,036	$845	147	120
Financial & Insurance				**Index**	**Index**
Investments	$49,161	$13,377	$9,435	178	126
Vehicle Loans	$13,640	$3,712	$2,940	152	121
Owners & Renters Insurance	$2,649	$721	$532	156	115
Vehicle Insurance	$5,960	$1,622	$1,347	145	120
Life/Other Insurance	$2,475	$673	$494	163	119
Health Insurance	$18,352	$4,994	$4,008	148	119

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TABLE D-16 CONTINUED
ESTIMATED HOUSEHOLD EXPENDITURES BY SELECTED PRODUCT TYPE
Elko New Market Submarket & Twin Cities Metro Area
2015

	Elko New Market Sub. Annual Expenditures		Twin Cities Expenditures	Spending Potential Index to USA	
Category	**Total ($000's)**	**Average Per HH**	**Average Per HH**	**PMA**	**Twin Cities**
Transportation				**Index**	**Index**
Cars and Trucks (Net Outlay)	$11,608	$3,159	$2,477	152	119
Gasoline and Motor Oil	$16,069	$4,372	$3,637	142	118
Vehicle Maintenance/Repair	$5,716	$1,555	$1,248	150	121
Travel				**Index**	**Index**
Airline Fares	$3,009	$819	$584	179	128
Lodging	$3,015	$820	$578	177	125
Vehicle Rental	$156	$42	$30	176	125
Food & Drink on Trips	$2,759	$751	$544	171	124
Average Annual Household Expenditures Summary					
Goods & Services	$43,650	$11,053	$8,762		
Food	$46,488	$12,650	$10,474		
Home	$97,309	$26,479	$18,901		
Household	$12,991	$3,535	$2,753		
Financial and Insurance	$92,236	$25,098	$18,755		
Transportation	$33,393	$9,086	$7,363		
Travel	$8,939	$2,432	$1,736		
Total	***$335,006***	***$90,333***	***$68,744***		

Note: The Spending Potential Index is based on households and represents the amount spent for a product or service relative to the national average of 100.

Sources: ESRI; Maxfield Research & Consulting, LLC

TABLE D-17
ESTIMATED HOUSEHOLD EXPENDITURES BY SELECTED PRODUCT TYPE
Jordan Submarket & Twin Cities Metro Area
2015

	Jordan Submarket Annual Expenditures		Twin Cities Expenditures	Spending Potential Index to USA	
Category	Total ($000's)	Average Per HH	Average Per HH	PMA	Twin Cities
Goods & Services				**Index**	**Index**
Apparel & Services	$7,284	$2,542	$2,497	126	124
Entertainment and Recreation	$10,656	$3,718	$3,553	128	122
Nonprescription Drugs	$427	$149	$146	120	118
Prescription Drugs	$1,429	$498	$476	119	114
Eye Glasses & Contact Lenses	$312	$109	$107	122	119
Personal Care Products	$1,569	$547	$532	126	122
Child Care	$1,770	$618	$553	146	131
School Books & Supplies	$614	$214	$205	130	125
Smoking Products	$1,227	$428	$455	104	111
Computer Hardware	$640	$223	$221	129	128
Computer Software	$47	$16	$17	127	129
Pets	$1,945	$678	$631	127	118
Food				**Index**	**Index**
Food at Home	$17,459	$6,092	$6,004	122	120
Food Away from Home	$11,345	$3,959	$3,826	128	124
Alcoholic Beverages	$1,813	$633	$644	124	126
Home				**Index**	**Index**
Home Mortgage Payment/Rent	$35,000	$12,212	$10,597	143	124
Maintenance & Remodeling Services	$6,731	$2,348	$2,112	134	120
Maintenance & Remodeling Materials	$1,408	$491	$416	135	115
Utilities	$17,195	$6,000	$5,776	123	118
Household Furnishings, Equipment, & Operations				**Index**	**Index**
Household Textiles	$314	$110	$107	126	123
Furniture	$1,835	$640	$617	130	125
Rugs	$90	$32	$31	129	126
Major Appliances	$1,075	$375	$337	132	119
Small Appliances	$165	$58	$58	122	122
Housewares	$307	$107	$103	128	123
Luggage	$36	$13	$12	135	129
Telephone & Accessories	$256	$89	$89	125	125
Lawn & Garden	$1,490	$520	$474	128	116
Moving/Storage/Freight Express	$219	$76	$79	120	125
Housekeeping Supplies	$2,494	$870	$845	124	120
Financial & Insurance				**Index**	**Index**
Investments	$27,342	$9,540	$9,435	127	126
Vehicle Loans	$9,201	$3,210	$2,940	132	121
Owners & Renters Insurance	$1,720	$600	$532	130	115
Vehicle Insurance	$4,014	$1,401	$1,347	125	120
Life/Other Insurance	$1,515	$529	$494	128	119
Health Insurance	$12,058	$4,207	$4,008	125	119

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TABLE D-17 CONTINUED
ESTIMATED HOUSEHOLD EXPENDITURES BY SELECTED PRODUCT TYPE
Jordan Submarket & Twin Cities Metro Area
2015

	Jordan Submarket Annual Expenditures		Twin Cities Expenditures	Spending Potential Index to USA	
Category	**Total ($000's)**	**Average Per HH**	**Average Per HH**	**PMA**	**Twin Cities**
Transportation				**Index**	**Index**
Cars and Trucks (Net Outlay)	$7,875	$2,748	$2,477	132	119
Gasoline and Motor Oil	$11,098	$3,872	$3,637	126	118
Vehicle Maintenance/Repair	$3,717	$1,297	$1,248	125	121
Travel				**Index**	**Index**
Airline Fares	$1,715	$599	$584	131	128
Lodging	$1,754	$612	$578	132	125
Vehicle Rental	$92	$32	$30	134	125
Food & Drink on Trips	$1,644	$574	$544	131	124
Average Annual Household Expenditures Summary					
Goods & Services	$27,920	$9,063	$8,762		
Food	$30,617	$10,683	$10,474		
Home	$60,334	$21,052	$18,901		
Household	$8,281	$2,889	$2,753		
Financial and Insurance	$55,850	$19,487	$18,755		
Transportation	$22,691	$7,917	$7,363		
Travel	$5,206	$1,816	$1,736		
Total	***$210,898***	***$72,908***	***$68,744***		

Note: The Spending Potential Index is based on households and represents the amount spent for a product or service relative to the national average of 100.

Sources: ESRI; Maxfield Research & Consulting, LLC

TABLE D-18
ESTIMATED HOUSEHOLD EXPENDITURES BY SELECTED PRODUCT TYPE
New Prague Submarket & Twin Cities Metro Area
2015

	New Prague Submarket Annual Expenditures		Twin Cities Expenditures	Spending Potential Index to USA	
Category	Total ($000's)	Average Per HH	Average Per HH	PMA	Twin Cities
Goods & Services				**Index**	**Index**
Apparel & Services	$7,837	$2,230	$2,497	111	124
Entertainment and Recreation	$11,491	$3,270	$3,553	112	122
Nonprescription Drugs	$474	$135	$146	108	118
Prescription Drugs	$1,633	$465	$476	111	114
Eye Glasses & Contact Lenses	$341	$97	$107	109	119
Personal Care Products	$1,701	$484	$532	111	122
Child Care	$1,817	$517	$553	122	131
School Books & Supplies	$652	$186	$205	113	125
Smoking Products	$1,473	$419	$455	102	111
Computer Hardware	$678	$193	$221	111	128
Computer Software	$51	$14	$17	111	129
Pets	$2,122	$604	$631	113	118
Food				**Index**	**Index**
Food at Home	$19,240	$5,475	$6,004	110	120
Food Away from Home	$12,289	$3,497	$3,826	113	124
Alcoholic Beverages	$1,947	$554	$644	108	126
Home				**Index**	**Index**
Home Mortgage Payment/Rent	$36,314	$10,334	$10,597	121	124
Maintenance & Remodeling Services	$7,225	$2,056	$2,112	117	120
Maintenance & Remodeling Materials	$1,562	$445	$416	122	115
Utilities	$19,029	$5,415	$5,776	111	118
Household Furnishings, Equipment, & Operations				**Index**	**Index**
Household Textiles	$336	$96	$107	110	123
Furniture	$1,972	$561	$617	114	125
Rugs	$95	$27	$31	110	126
Major Appliances	$1,145	$326	$337	115	119
Small Appliances	$177	$50	$58	107	122
Housewares	$338	$96	$103	115	123
Luggage	$38	$11	$12	116	129
Telephone & Accessories	$288	$82	$89	115	125
Lawn & Garden	$1,596	$454	$474	111	116
Moving/Storage/Freight Express	$228	$65	$79	102	125
Housekeeping Supplies	$2,765	$787	$845	112	120
Financial & Insurance				**Index**	**Index**
Investments	$29,990	$8,534	$9,435	114	126
Vehicle Loans	$10,102	$2,875	$2,940	118	121
Owners & Renters Insurance	$1,928	$549	$532	119	115
Vehicle Insurance	$4,397	$1,251	$1,347	112	120
Life/Other Insurance	$1,637	$466	$494	112	119
Health Insurance	$13,308	$3,787	$4,008	112	119

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TABLE D-18 CONTINUED
ESTIMATED HOUSEHOLD EXPENDITURES BY SELECTED PRODUCT TYPE
New Prague Submarket & Twin Cities Metro Area
2015

	New Prague Submarket Annual Expenditures		Twin Cities Expenditures	Spending Potential Index to USA	
Category	**Total ($000's)**	**Average Per HH**	**Average Per HH**	**PMA**	**Twin Cities**
Transportation				**Index**	**Index**
Cars and Trucks (Net Outlay)	$8,611	$2,450	$2,477	118	119
Gasoline and Motor Oil	$12,262	$3,489	$3,637	113	118
Vehicle Maintenance/Repair	$4,043	$1,151	$1,248	111	121
Travel				**Index**	**Index**
Airline Fares	$1,759	$501	$584	110	128
Lodging	$1,844	$525	$578	113	125
Vehicle Rental	$95	$27	$30	112	125
Food & Drink on Trips	$1,729	$492	$544	112	124
Average Annual Household Expenditures Summary					
Goods & Services	$30,269	$8,010	$8,762		
Food	$33,475	$9,526	$10,474		
Home	$64,131	$18,250	$18,901		
Household	$8,977	$2,555	$2,753		
Financial and Insurance	$61,362	$17,462	$18,755		
Transportation	$24,915	$7,090	$7,363		
Travel	$5,427	$1,544	$1,736		
Total	***$228,556***	***$64,438***	***$68,744***		

Note: The Spending Potential Index is based on households and represents the amount spent for a product or service relative to the national average of 100.

Sources: ESRI; Maxfield Research & Consulting, LLC

TABLE D-19
ESTIMATED HOUSEHOLD EXPENDITURES BY SELECTED PRODUCT TYPE
Prior Lake Submarket & Twin Cities Metro Area
2015

Category	Prior Lake Submarket Annual Expenditures		Twin Cities Expenditures	Spending Potential Index to USA	
	Total ($000's)	Average Per HH	Average Per HH	PMA	Twin Cities
Goods & Services				Index	Index
Apparel & Services	$41,380	$3,281	$2,497	163	124
Entertainment and Recreation	$60,825	$4,823	$3,553	165	122
Nonprescription Drugs	$2,415	$191	$146	154	118
Prescription Drugs	$7,994	$634	$476	151	114
Eye Glasses & Contact Lenses	$1,838	$146	$107	163	119
Personal Care Products	$8,795	$697	$532	161	122
Child Care	$10,045	$796	$553	188	131
School Books & Supplies	$3,466	$275	$205	167	125
Smoking Products	$6,477	$514	$455	125	111
Computer Hardware	$3,636	$288	$221	166	128
Computer Software	$267	$21	$17	164	129
Pets	$11,005	$873	$631	163	118
Food				Index	Index
Food at Home	$96,856	$7,680	$6,004	154	120
Food Away from Home	$63,409	$5,028	$3,826	163	124
Alcoholic Beverages	$10,501	$833	$644	163	126
Home				Index	Index
Home Mortgage Payment/Rent	$207,795	$16,476	$10,597	192	124
Maintenance & Remodeling Services	$41,163	$3,264	$2,112	186	120
Maintenance & Remodeling Materials	$8,177	$648	$416	179	115
Utilities	$95,101	$7,540	$5,776	155	118
Household Furnishings, Equipment, & Operations				Index	Index
Household Textiles	$1,821	$144	$107	166	123
Furniture	$10,390	$824	$617	168	125
Rugs	$557	$44	$31	181	126
Major Appliances	$6,126	$486	$337	171	119
Small Appliances	$941	$75	$58	158	122
Housewares	$1,722	$137	$103	163	123
Luggage	$215	$17	$12	184	129
Telephone & Accessories	$1,428	$113	$89	159	125
Lawn & Garden	$8,820	$699	$474	172	116
Moving/Storage/Freight Express	$1,193	$95	$79	149	125
Housekeeping Supplies	$14,031	$1,112	$845	158	120
Financial & Insurance				Index	Index
Investments	$175,723	$13,933	$9,435	186	126
Vehicle Loans	$49,180	$3,900	$2,940	160	121
Owners & Renters Insurance	$9,854	$781	$532	169	115
Vehicle Insurance	$22,211	$1,761	$1,347	157	120
Life/Other Insurance	$9,091	$721	$494	174	119
Health Insurance	$68,680	$5,446	$4,008	161	119

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TABLE D-19 CONTINUED
ESTIMATED HOUSEHOLD EXPENDITURES BY SELECTED PRODUCT TYPE
Prior Lake Submarket & Twin Cities Metro Area
2015

	Prior Lake Submarket Annual Expenditures		Twin Cities Expenditures	Spending Potential Index to USA	
Category	**Total ($000's)**	**Average Per HH**	**Average Per HH**	**PMA**	**Twin Cities**
Transportation				**Index**	**Index**
Cars and Trucks (Net Outlay)	$42,390	$3,361	$2,477	161	119
Gasoline and Motor Oil	$59,873	$4,747	$3,637	154	118
Vehicle Maintenance/Repair	$21,014	$1,666	$1,248	161	121
Travel				**Index**	**Index**
Airline Fares	$10,503	$833	$584	183	128
Lodging	$10,676	$846	$578	182	125
Vehicle Rental	$544	$43	$30	179	125
Food & Drink on Trips	$9,819	$779	$544	178	124
Average Annual Household Expenditures Summary					
Goods & Services	$158,145	$11,667	$8,762		
Food	$170,766	$13,540	$10,474		
Home	$352,235	$27,929	$18,901		
Household	$47,243	$3,746	$2,753		
Financial and Insurance	$334,740	$26,541	$18,755		
Transportation	$123,278	$9,775	$7,363		
Travel	$31,542	$2,501	$1,736		
Total	***$1,217,949***	***$95,698***	***$68,744***		

Note: The Spending Potential Index is based on households and represents the amount spent for a product or service relative to the national average of 100.

Sources: ESRI; Maxfield Research & Consulting, LLC

TABLE D-20
ESTIMATED HOUSEHOLD EXPENDITURES BY SELECTED PRODUCT TYPE
Savage Submarket & Twin Cities Metro Area
2015

	Savage Submarket Annual Expenditures		Twin Cities Expenditures	Spending Potential Index to USA	
Category	**Total ($000's)**	**Average Per HH**	**Average Per HH**	**PMA**	**Twin Cities**
Goods & Services				**Index**	**Index**
Apparel & Services	$30,407	$3,022	$2,497	150	124
Entertainment and Recreation	$44,323	$4,405	$3,553	151	122
Nonprescription Drugs	$1,758	$175	$146	141	118
Prescription Drugs	$5,805	$577	$476	138	114
Eye Glasses & Contact Lenses	$1,304	$130	$107	145	119
Personal Care Products	$6,551	$651	$532	150	122
Child Care	$7,454	$741	$553	175	131
School Books & Supplies	$2,583	$257	$205	156	125
Smoking Products	$4,942	$491	$455	120	111
Computer Hardware	$2,691	$267	$221	154	128
Computer Software	$195	$19	$17	150	129
Pets	$8,045	$800	$631	149	118
Food				**Index**	**Index**
Food at Home	$72,114	$7,168	$6,004	144	120
Food Away from Home	$47,094	$4,681	$3,826	151	124
Alcoholic Beverages	$7,570	$752	$644	147	126
Home				**Index**	**Index**
Home Mortgage Payment/Rent	$144,711	$14,383	$10,597	168	124
Maintenance & Remodeling Services	$28,147	$2,798	$2,112	160	120
Maintenance & Remodeling Materials	$5,801	$577	$416	159	115
Utilities	$69,703	$6,928	$5,776	142	118
Household Furnishings, Equipment, & Operations				**Index**	**Index**
Household Textiles	$1,312	$130	$107	150	123
Furniture	$7,651	$760	$617	155	125
Rugs	$378	$38	$31	154	126
Major Appliances	$4,427	$440	$337	155	119
Small Appliances	$685	$68	$58	144	122
Housewares	$1,275	$127	$103	152	123
Luggage	$151	$15	$12	162	129
Telephone & Accessories	$1,064	$106	$89	149	125
Lawn & Garden	$6,154	$612	$474	150	116
Moving/Storage/Freight Express	$919	$91	$79	144	125
Housekeeping Supplies	$10,346	$1,028	$845	146	120
Financial & Insurance				**Index**	**Index**
Investments	$114,973	$11,428	$9,435	152	126
Vehicle Loans	$37,562	$3,733	$2,940	153	121
Owners & Renters Insurance	$6,959	$692	$532	149	115
Vehicle Insurance	$16,388	$1,629	$1,347	145	120
Life/Other Insurance	$6,241	$620	$494	150	119
Health Insurance	$49,446	$4,915	$4,008	146	119

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TABLE D-20 CONTINUED
ESTIMATED HOUSEHOLD EXPENDITURES BY SELECTED PRODUCT TYPE
Savage Submarket & Twin Cities Metro Area
2015

Category	Savage Submarket Annual Expenditures Total ($000's)	Savage Submarket Annual Expenditures Average Per HH	Twin Cities Expenditures Average Per HH	Spending Potential Index to USA PMA	Spending Potential Index to USA Twin Cities
Transportation				**Index**	**Index**
Cars and Trucks (Net Outlay)	$31,958	$3,176	$2,477	153	119
Gasoline and Motor Oil	$45,015	$4,474	$3,637	146	118
Vehicle Maintenance/Repair	$15,370	$1,528	$1,248	148	121
Travel				**Index**	**Index**
Airline Fares	$7,338	$729	$584	160	128
Lodging	$7,413	$737	$578	159	125
Vehicle Rental	$387	$38	$30	160	125
Food & Drink on Trips	$6,923	$688	$544	157	124
Average Annual Household Expenditures Summary					
Goods & Services	$116,057	$10,736	$8,762		
Food	$126,778	$12,601	$10,474		
Home	$248,361	$24,686	$18,901		
Household	$34,363	$3,415	$2,753		
Financial and Insurance	$231,569	$23,017	$18,755		
Transportation	$92,343	$9,178	$7,363		
Travel	$22,062	$2,193	$1,736		
Total	***$871,532***	***$85,825***	***$68,744***		

Note: The Spending Potential Index is based on households and represents the amount spent for a product or service relative to the national average of 100.

Sources: ESRI; Maxfield Research & Consulting, LLC

TABLE D-21
ESTIMATED HOUSEHOLD EXPENDITURES BY SELECTED PRODUCT TYPE
Shakopee Submarket & Twin Cities Metro Area
2015

	Shakopee Submarket Annual Expenditures		Twin Cities Expenditures	Spending Potential Index to USA	
Category	Total ($000's)	Average Per HH	Average Per HH	PMA	Twin Cities
Goods & Services				**Index**	**Index**
Apparel & Services	$39,089	$2,633	$2,497	131	124
Entertainment and Recreation	$56,247	$3,789	$3,553	130	122
Nonprescription Drugs	$2,226	$150	$146	121	118
Prescription Drugs	$7,187	$484	$476	116	114
Eye Glasses & Contact Lenses	$1,629	$110	$107	123	119
Personal Care Products	$8,390	$565	$532	130	122
Child Care	$9,594	$646	$553	153	131
School Books & Supplies	$3,328	$224	$205	136	125
Smoking Products	$6,381	$430	$455	105	111
Computer Hardware	$3,489	$235	$221	136	128
Computer Software	$253	$17	$17	132	129
Pets	$10,090	$680	$631	127	118
Food				**Index**	**Index**
Food at Home	$92,503	$6,231	$6,004	125	120
Food Away from Home	$60,341	$4,064	$3,826	131	124
Alcoholic Beverages	$9,736	$656	$644	128	126
Home				**Index**	**Index**
Home Mortgage Payment/Rent	$178,160	$12,001	$10,597	140	124
Maintenance & Remodeling Services	$33,769	$2,275	$2,112	130	120
Maintenance & Remodeling Materials	$6,848	$461	$416	127	115
Utilities	$88,763	$5,979	$5,776	123	118
Household Furnishings, Equipment, & Operations				**Index**	**Index**
Household Textiles	$1,676	$113	$107	130	123
Furniture	$9,785	$659	$617	134	125
Rugs	$466	$31	$31	129	126
Major Appliances	$5,545	$373	$337	132	119
Small Appliances	$883	$60	$58	126	122
Housewares	$1,610	$108	$103	130	123
Luggage	$189	$13	$12	137	129
Telephone & Accessories	$1,345	$91	$89	127	125
Lawn & Garden	$7,533	$507	$474	125	116
Moving/Storage/Freight Express	$1,243	$84	$79	132	125
Housekeeping Supplies	$13,082	$881	$845	125	120
Financial & Insurance				**Index**	**Index**
Investments	$135,718	$9,142	$9,435	122	126
Vehicle Loans	$48,030	$3,235	$2,940	133	121
Owners & Renters Insurance	$8,389	$565	$532	122	115
Vehicle Insurance	$20,944	$1,411	$1,347	126	120
Life/Other Insurance	$7,621	$513	$494	124	119
Health Insurance	$61,772	$4,161	$4,008	123	119

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TABLE D-21 CONTINUED
ESTIMATED HOUSEHOLD EXPENDITURES BY SELECTED PRODUCT TYPE
Shakopee Submarket & Twin Cities Metro Area
2015

	Shakopee Submarket Annual Expenditures		Twin Cities Expenditures	Spending Potential Index to USA	
Category	**Total ($000's)**	**Average Per HH**	**Average Per HH**	**PMA**	**Twin Cities**
Transportation				**Index**	**Index**
Cars and Trucks (Net Outlay)	$40,570	$2,733	$2,477	131	119
Gasoline and Motor Oil	$57,454	$3,870	$3,637	126	118
Vehicle Maintenance/Repair	$19,499	$1,313	$1,248	127	121
Travel				**Index**	**Index**
Airline Fares	$9,281	$625	$584	137	128
Lodging	$9,172	$618	$578	133	125
Vehicle Rental	$490	$33	$30	137	125
Food & Drink on Trips	$8,654	$583	$544	133	124
Average Annual Household Expenditures Summary					
Goods & Services	$147,902	$9,283	$8,762		
Food	$162,581	$10,951	$10,474		
Home	$307,541	$20,715	$18,901		
Household	$43,356	$2,920	$2,753		
Financial and Insurance	$282,474	$19,027	$18,755		
Transportation	$117,522	$7,916	$7,363		
Travel	$27,596	$1,859	$1,736		
Total	***$1,088,972***	***$72,672***	***$68,744***		

Note: The Spending Potential Index is based on households and represents the amount spent for a product or service relative to the national average of 100.

Sources: ESRI; Maxfield Research & Consulting, LLC

TABLE D-22
RETAIL DEMAND POTENTIAL AND LEAKAGE
BELLE PLAINE SUBMARKET
2015

Industry Group (NAICS Code)	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap (Demand - Supply)	Surplus/Leakage Factor	Number of Businesses
SUMMARY					
Total Retail Trade and Food & Drink (NAICS 44-45, 722)	$4,975,946	$3,568,811	$1,407,135	16.5	86
Total Retail Trade (NAICS 44-45)	$4,490,437	$3,316,383	$1,174,054	15.0	59
Total Food & Drink (NAICS 722)	$485,509	$252,428	$233,081	31.6	27
EXPENDITURE TYPE					
Motor Vehicle & Parts Dealers	**$1,054,093**	**$748,776**	**$305,318**	**16.9**	**8**
Automobile Dealers	$855,798	$665,440	$190,358	12.5	3
Other Motor Vehicle Dealers	$131,001	$59,212	$71,789	37.7	2
Auto Parts, Accessories & Tire Stores	$67,295	$24,124	$43,171	47.2	3
Furniture & Home Furnishings Stores	**$127,119**	**$83,150**	**$43,970**	**20.9**	**5**
Furniture Stores	$83,804	$61,614	$22,190	15.3	3
Home Furnishings Stores	$43,316	$21,536	$21,780	33.6	2
Electronics & Appliance Stores	**$208,916**	**$26,585**	**$182,331**	**77.4**	**2**
Bldg Materials, Garden Equip. & Supply Stores	**$234,554**	**$87,371**	**$147,183**	**45.7**	**6**
Bldg Material & Supplies Dealers	$192,366	$75,836	$116,530	43.4	5
Lawn & Garden Equip & Supply Stores	$42,188	$11,535	$30,653	57.1	1
Food & Beverage Stores	**$753,409**	**$1,437,619**	**($684,210)**	**(31.2)**	**11**
Grocery Stores	$636,475	$673,319	($36,844)	(2.8)	2
Specialty Food Stores	$43,932	$38,833	$5,098	6.2	2
Beer, Wine & Liquor Stores	$73,003	$725,467	($652,464)	(81.7)	7
Health & Personal Care Stores	**$289,313**	**$59,392**	**$229,921**	**65.9**	**3**
Gasoline Stations	**$331,866**	**$509,220**	**($177,354)**	**(21.1)**	**6**
Clothing & Clothing Accessories Stores	**$188,145**	**$19,672**	**$168,473**	**81.1**	**5**
Clothing Stores	$145,013	$7,560	$137,453	90.1	3
Shoe Stores	$29,707	$8,238	$21,469	56.6	1
Jewelry, Luggage & Leather Goods Stores	$13,425	$3,873	$9,552	55.2	1
Sporting Goods, Hobby, Book & Music Stores	**$142,357**	**$38,518**	**$103,838**	**57.4**	**3**
Sporting Goods/Hobby/Musical Instr Stores	$118,903	$33,510	$85,393	56.0	2
Book, Periodical & Music Stores	$23,453	$5,008	$18,445	64.8	1
General Merchandise Stores	**$877,411**	**$0**	**$877,411**	**100.0**	**0**
Department Stores Excluding Leased Depts.	$712,740	$0	$712,740	100.0	0
Other General Merchandise Stores	$164,671	$0	$164,671	100.0	0
Miscellaneous Store Retailers	**$182,519**	**$295,611**	**($113,092)**	**(23.7)**	**9**
Florists	$7,708	$17,214	($9,505)	(38.1)	2
Office Supplies, Stationery & Gift Stores	$27,027	$5,112	$21,915	68.2	2
Used Merchandise Stores	$22,655	$4,272	$18,383	68.3	2
Other Miscellaneous Store Retailers	$125,130	$269,014	($143,884)	(36.5)	3
Nonstore Retailers	**$100,734**	**$10,470**	**$90,264**	**81.2**	**1**
Electronic Shopping & Mail-Order Houses	$81,663	$10,470	$71,193	77.3	1
Vending Machine Operators	$5,323	$0	$5,323	100.0	0
Direct Selling Establishments	$13,748	$0	$13,748	100.0	0
Food Services & Drinking Places	**$485,509**	**$252,428**	**$233,081**	**31.6**	**27**
Full-Service Restaurants	$276,340	$129,859	$146,480	36.1	14
Limited-Service Eating Places	$183,725	$105,951	$77,774	26.8	7
Special Food Services	$11,450	$902	$10,548	85.4	1
Drinking Places - Alcoholic Beverages	$13,995	$15,716	($1,721)	(5.8)	5

Note: All figures quoted in 2015 dollars. Supply (retail sales) estimates sales to consumers by establishments, sales to businesses are excluded. Demand (retail potential) estimates the expected amout spent by consumers at a retail establishment. Leakage/Surplus factor measures the relationship between supply and demand at ranges from +100 (total leakage) to -100 (total surplus). A positive value represents "leakage" of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area.

Sources: ESRI; Maxfield Research & Consulting, LLC

TABLE D-23
RETAIL DEMAND POTENTIAL AND LEAKAGE
ELKO NEW MARKET SUBMARKET
2015

Industry Group (NAICS Code)	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap (Demand - Supply)	Surplus/Leakage Factor	Number of Businesses
SUMMARY					
Total Retail Trade and Food & Drink (NAICS 44-45, 722)	$4,233,279	$289,975	$3,943,304	87.2	28
Total Retail Trade (NAICS 44-45)	$3,812,595	$211,472	$3,601,123	89.5	18
Total Food & Drink (NAICS 722)	$420,684	$78,503	$342,181	68.5	10
EXPENDITURE TYPE					
Motor Vehicle & Parts Dealers	**$894,926**	**$17,329**	**$877,598**	**96.2**	**3**
Automobile Dealers	$718,962	$8,106	$710,856	97.8	1
Other Motor Vehicle Dealers	$118,581	$7,422	$111,160	88.2	1
Auto Parts, Accessories & Tire Stores	$57,383	$1,801	$55,582	93.9	1
Furniture & Home Furnishings Stores	**$111,890**	**$0**	**$111,890**	**100.0**	**0**
Furniture Stores	$74,419	$0	$74,419	100.0	0
Home Furnishings Stores	$37,470	$0	$37,470	100.0	0
Electronics & Appliance Stores	**$179,455**	**$0**	**$179,455**	**100.0**	**0**
Bldg Materials, Garden Equip. & Supply Stores	**$207,877**	**$46,012**	**$161,865**	**63.8**	**4**
Bldg Material & Supplies Dealers	$173,331	$6,311	$167,020	93.0	3
Lawn & Garden Equip & Supply Stores	$34,546	$39,701	($5,154)	(6.9)	1
Food & Beverage Stores	**$628,545**	**$69,896**	**$558,649**	**80.0**	**2**
Grocery Stores	$529,649	$41,897	$487,752	85.3	1
Specialty Food Stores	$36,622	$0	$36,622	100.0	0
Beer, Wine & Liquor Stores	$62,274	$27,999	$34,275	38.0	1
Health & Personal Care Stores	**$241,127**	**$0**	**$241,127**	**100.0**	**0**
Gasoline Stations	**$269,176**	**$18,980**	**$250,196**	**86.8**	**1**
Clothing & Clothing Accessories Stores	**$162,651**	**$0**	**$162,651**	**100.0**	**0**
Clothing Stores	$125,155	$0	$125,155	100.0	0
Shoe Stores	$25,204	$0	$25,204	100.0	0
Jewelry, Luggage & Leather Goods Stores	$12,292	$0	$12,292	100.0	0
Sporting Goods, Hobby, Book & Music Stores	**$127,148**	**$12,043**	**$115,105**	**82.7**	**1**
Sporting Goods/Hobby/Musical Instr Stores	$106,381	$12,043	$94,337	79.7	1
Book, Periodical & Music Stores	$20,767	$0	$20,767	100.0	0
General Merchandise Stores	**$749,211**	**$0**	**$749,211**	**100.0**	**0**
Department Stores Excluding Leased Depts.	$611,332	$0	$611,332	100.0	0
Other General Merchandise Stores	$137,879	$0	$137,879	100.0	0
Miscellaneous Store Retailers	**$154,276**	**$47,212**	**$107,064**	**53.1**	**7**
Florists	$6,536	$4,700	$1,836	16.3	2
Office Supplies, Stationery & Gift Stores	$23,363	$14,042	$9,320	24.9	1
Used Merchandise Stores	$19,970	$10,114	$9,856	32.8	2
Other Miscellaneous Store Retailers	$104,407	$18,357	$86,051	70.1	2
Nonstore Retailers	**$86,313**	**$0**	**$86,313**	**100.0**	**0**
Electronic Shopping & Mail-Order Houses	$71,548	$0	$71,548	100.0	0
Vending Machine Operators	$4,453	$0	$4,453	100.0	0
Direct Selling Establishments	$10,312	$0	$10,312	100.0	0
Food Services & Drinking Places	**$420,684**	**$78,503**	**$342,181**	**68.5**	**10**
Full-Service Restaurants	$240,600	$47,749	$192,852	66.9	5
Limited-Service Eating Places	$157,775	$0	$157,775	100.0	0
Special Food Services	$10,408	$0	$10,408	100.0	0
Drinking Places - Alcoholic Beverages	$11,901	$30,755	($18,853)	(44.2)	5

Note: All figures quoted in 2015 dollars. Supply (retail sales) estimates sales to consumers by establishments, sales to businesses are excluded. Demand (retail potential) estimates the expected amout spent by consumers at a retail establishment. Leakage/Surplus factor measures the relationship between supply and demand at ranges from +100 (total leakage) to -100 (total surplus). A positive value represents "leakage" of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area.

Sources: ESRI; Maxfield Research & Consulting, LLC

TABLE D-24
RETAIL DEMAND POTENTIAL AND LEAKAGE
JORDAN RETAIL LEAKAGE
2015

Industry Group (NAICS Code)	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap (Demand - Supply)	Surplus/Leakage Factor	Number of Businesses
SUMMARY					
Total Retail Trade and Food & Drink (NAICS 44-45, 722)	$2,646,641	$1,332,584	$1,314,057	33.0	44
Total Retail Trade (NAICS 44-45)	$2,388,600	$1,236,927	$1,151,673	31.8	33
Total Food & Drink (NAICS 722)	$258,041	$95,657	$162,384	45.9	11
EXPENDITURE TYPE					
Motor Vehicle & Parts Dealers	**$562,307**	**$432,611**	**$129,696**	**13.0**	**4**
Automobile Dealers	$456,581	$399,398	$57,182	6.7	2
Other Motor Vehicle Dealers	$70,072	$22,984	$47,088	50.6	1
Auto Parts, Accessories & Tire Stores	$35,654	$10,229	$25,425	55.4	1
Furniture & Home Furnishings Stores	**$68,035**	**$62,413**	**$5,622**	**4.3**	**3**
Furniture Stores	$44,913	$40,938	$3,975	4.6	1
Home Furnishings Stores	$23,122	$21,475	$1,647	3.7	2
Electronics & Appliance Stores	**$111,027**	**$26,510**	**$84,517**	**61.5**	**2**
Bldg Materials, Garden Equip. & Supply Stores	**$125,432**	**$83,004**	**$42,428**	**20.4**	**5**
Bldg Material & Supplies Dealers	$103,108	$71,501	$31,607	18.1	4
Lawn & Garden Equip & Supply Stores	$22,323	$11,503	$10,821	32.0	1
Food & Beverage Stores	**$398,857**	**$250,174**	**$148,682**	**22.9**	**4**
Grocery Stores	$336,819	$190,474	$146,345	27.8	1
Specialty Food Stores	$23,235	$22,586	$649	1.4	1
Beer, Wine & Liquor Stores	$38,803	$37,114	$1,689	2.2	2
Health & Personal Care Stores	**$153,961**	**$18,418**	**$135,543**	**78.6**	**2**
Gasoline Stations	**$176,149**	**$82,524**	**$93,625**	**36.2**	**1**
Clothing & Clothing Accessories Stores	**$99,969**	**$12,670**	**$87,300**	**77.5**	**3**
Clothing Stores	$77,061	$4,455	$72,606	89.1	2
Shoe Stores	$15,729	$8,215	$7,514	31.4	1
Jewelry, Luggage & Leather Goods Stores	$7,180	$0	$7,180	100.0	0
Sporting Goods, Hobby, Book & Music Stores	**$76,059**	**$38,410**	**$37,650**	**32.9**	**3**
Sporting Goods/Hobby/Musical Instr Stores	$63,584	$33,416	$30,168	31.1	2
Book, Periodical & Music Stores	$12,476	$4,994	$7,482	42.8	1
General Merchandise Stores	**$466,366**	**$0**	**$466,366**	**100.0**	**0**
Department Stores Excluding Leased Depts.	$379,111	$0	$379,111	100.0	0
Other General Merchandise Stores	$87,255	$0	$87,255	100.0	0
Miscellaneous Store Retailers	**$97,205**	**$230,193**	**($132,988)**	**(40.6)**	**6**
Florists	$4,122	$6,271	($2,149)	(20.7)	1
Office Supplies, Stationery & Gift Stores	$14,397	$5,097	$9,299	47.7	2
Used Merchandise Stores	$12,050	$2,873	$9,177	61.5	1
Other Miscellaneous Store Retailers	$66,636	$215,953	($149,316)	(52.8)	2
Nonstore Retailers	**$53,233**	**$0**	**$53,233**	**100.0**	**0**
Electronic Shopping & Mail-Order Houses	$43,447	$0	$43,447	100.0	0
Vending Machine Operators	$2,817	$0	$2,817	100.0	0
Direct Selling Establishments	$6,969	$0	$6,969	100.0	0
Food Services & Drinking Places	**$258,041**	**$95,657**	**$162,384**	**45.9**	**11**
Full-Service Restaurants	$146,919	$31,827	$115,092	64.4	5
Limited-Service Eating Places	$97,644	$58,748	$38,896	24.9	4
Special Food Services	$6,091	$0	$6,091	100.0	0
Drinking Places - Alcoholic Beverages	$7,387	$5,082	$2,305	18.5	2

Note: All figures quoted in 2015 dollars. Supply (retail sales) estimates sales to consumers by establishments, sales to businesses are excluded. Demand (retail potential) estimates the expected amout spent by consumers at a retail establishment. Leakage/Surplus factor measures the relationship between supply and demand at ranges from +100 (total leakage) to -100 (total surplus). A positive value represents "leakage" of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area.

Sources: ESRI; Maxfield Research & Consulting, LLC

TABLE D-25
RETAIL DEMAND POTENTIAL AND LEAKAGE
NEW PRAGUE SUBMARKET
2015

Industry Group (NAICS Code)	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap (Demand - Supply)	Surplus/Leakage Factor	Number of Businesses
SUMMARY					
Total Retail Trade and Food & Drink (NAICS 44-45, 722)	$4,941,028	$2,796,870	$2,144,158	27.7	92
Total Retail Trade (NAICS 44-45)	$4,461,554	$2,602,131	$1,859,423	26.3	66
Total Food & Drink (NAICS 722)	$479,474	$194,738	$284,736	42.2	26
EXPENDITURE TYPE					
Motor Vehicle & Parts Dealers	**$1,043,420**	**$1,202,290**	**($158,870)**	**(7.1)**	**10**
Automobile Dealers	$847,301	$1,122,520	($275,218)	(14.0)	4
Other Motor Vehicle Dealers	$129,631	$22,150	$107,481	70.8	1
Auto Parts, Accessories & Tire Stores	$66,488	$57,620	$8,868	7.1	5
Furniture & Home Furnishings Stores	**$126,722**	**$39,731**	**$86,991**	**52.3**	**2**
Furniture Stores	$83,800	$29,673	$54,127	47.7	1
Home Furnishings Stores	$42,922	$10,058	$32,865	62.0	1
Electronics & Appliance Stores	**$206,002**	**$27,130**	**$178,872**	**76.7**	**2**
Bldg Materials, Garden Equip. & Supply Stores	**$234,240**	**$72,818**	**$161,422**	**52.6**	**9**
Bldg Material & Supplies Dealers	$190,770	$60,314	$130,455	52.0	6
Lawn & Garden Equip & Supply Stores	$43,471	$12,503	$30,967	55.3	3
Food & Beverage Stores	**$748,648**	**$304,197**	**$444,451**	**42.2**	**9**
Grocery Stores	$632,455	$172,701	$459,755	57.1	3
Specialty Food Stores	$43,610	$51,549	($7,939)	(8.3)	3
Beer, Wine & Liquor Stores	$72,582	$79,947	($7,365)	(4.8)	3
Health & Personal Care Stores	**$294,653**	**$216,170**	**$78,483**	**15.4**	**5**
Gasoline Stations	**$328,777**	**$462,557**	**($133,780)**	**(16.9)**	**4**
Clothing & Clothing Accessories Stores	**$185,515**	**$22,023**	**$163,492**	**78.8**	**3**
Clothing Stores	$143,172	$8,218	$134,954	89.1	2
Shoe Stores	$29,116	$0	$29,116	100.0	0
Jewelry, Luggage & Leather Goods Stores	$13,226	$13,805	($579)	(2.1)	1
Sporting Goods, Hobby, Book & Music Stores	**$139,180**	**$91,713**	**$47,468**	**20.6**	**3**
Sporting Goods/Hobby/Musical Instr Stores	$115,956	$91,713	$24,244	11.7	3
Book, Periodical & Music Stores	$23,224	$0	$23,224	100.0	0
General Merchandise Stores	**$870,076**	**$60,564**	**$809,511**	**87.0**	**2**
Department Stores Excluding Leased Depts.	$706,454	$0	$706,454	100.0	0
Other General Merchandise Stores	$163,622	$60,564	$103,057	46.0	2
Miscellaneous Store Retailers	**$184,434**	**$67,409**	**$117,025**	**46.5**	**15**
Florists	$8,044	$5,215	$2,829	21.3	3
Office Supplies, Stationery & Gift Stores	$27,103	$16,453	$10,650	24.5	6
Used Merchandise Stores	$22,415	$22,786	($371)	(0.8)	2
Other Miscellaneous Store Retailers	$126,871	$22,954	$103,917	69.4	4
Nonstore Retailers	**$99,887**	**$35,531**	**$64,356**	**47.5**	**2**
Electronic Shopping & Mail-Order Houses	$80,649	$35,531	$45,117	38.8	2
Vending Machine Operators	$5,275	$0	$5,275	100.0	0
Direct Selling Establishments	$13,963	$0	$13,963	100.0	0
Food Services & Drinking Places	**$479,474**	**$194,738**	**$284,736**	**42.2**	**26**
Full-Service Restaurants	$273,291	$104,368	$168,923	44.7	13
Limited-Service Eating Places	$180,896	$74,972	$105,924	41.4	7
Special Food Services	$11,586	$1,662	$9,924	74.9	1
Drinking Places - Alcoholic Beverages	$13,701	$13,736	($36)	(0.1)	5

Note: All figures quoted in 2015 dollars. Supply (retail sales) estimates sales to consumers by establishments, sales to businesses are excluded. Demand (retail potential) estimates the expected amout spent by consumers at a retail establishment. Leakage/Surplus factor measures the relationship between supply and demand at ranges from +100 (total leakage) to -100 (total surplus). A positive value represents "leakage" of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area.

Sources: ESRI; Maxfield Research & Consulting, LLC

TABLE D-26
RETAIL DEMAND POTENTIAL AND LEAKAGE
PRIOR LAKE SUBMARKET
2015

Industry Group (NAICS Code)	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap (Demand - Supply)	Surplus/Leakage Factor	Number of Businesses
SUMMARY					
Total Retail Trade and Food & Drink (NAICS 44-45, 722)	$64,588,313	$54,001,275	$10,587,038	8.9	134
Total Retail Trade (NAICS 44-45)	$58,230,994	$52,076,880	$6,154,114	5.6	103
Total Food & Drink (NAICS 722)	$6,357,319	$1,924,395	$4,432,924	53.5	31
EXPENDITURE TYPE					
Motor Vehicle & Parts Dealers	**$13,585,924**	**$1,430,057**	**$12,155,867**	**81.0**	**11**
Automobile Dealers	$10,941,587	$1,002,507	$9,939,080	83.2	5
Other Motor Vehicle Dealers	$1,761,731	$109,777	$1,651,954	88.3	2
Auto Parts, Accessories & Tire Stores	$882,606	$317,773	$564,833	47.1	4
Furniture & Home Furnishings Stores	**$1,664,231**	**$144,110**	**$1,520,121**	**84.1**	**5**
Furniture Stores	$1,094,838	$71,721	$1,023,117	87.7	2
Home Furnishings Stores	$569,393	$72,389	$497,004	77.4	3
Electronics & Appliance Stores	**$2,729,142**	**$889,847**	**$1,839,295**	**50.8**	**13**
Bldg Materials, Garden Equip. & Supply Stores	**$3,168,642**	**$958,188**	**$2,210,454**	**53.6**	**17**
Bldg Material & Supplies Dealers	$2,597,369	$817,010	$1,780,359	52.1	13
Lawn & Garden Equip & Supply Stores	$571,273	$141,178	$430,094	60.4	4
Food & Beverage Stores	**$9,716,698**	**$3,260,033**	**$6,456,665**	**49.8**	**12**
Grocery Stores	$8,190,773	$2,238,199	$5,952,574	57.1	4
Specialty Food Stores	$565,944	$221,396	$344,548	43.8	3
Beer, Wine & Liquor Stores	$959,980	$800,438	$159,543	9.1	5
Health & Personal Care Stores	**$3,793,856**	**$70,310**	**$3,723,546**	**96.4**	**2**
Gasoline Stations	**$4,185,202**	**$1,686,806**	**$2,498,396**	**42.5**	**5**
Clothing & Clothing Accessories Stores	**$2,446,172**	**$300,627**	**$2,145,545**	**78.1**	**9**
Clothing Stores	$1,887,252	$217,179	$1,670,073	79.4	7
Shoe Stores	$379,598	$0	$379,598	100.0	0
Jewelry, Luggage & Leather Goods Stores	$179,321	$83,447	$95,874	36.5	2
Sporting Goods, Hobby, Book & Music Stores	**$1,857,217**	**$42,224,080**	**($40,366,863)**	**(91.6)**	**6**
Sporting Goods/Hobby/Musical Instr Stores	$1,549,487	$42,224,080	($40,674,594)	(92.9)	6
Book, Periodical & Music Stores	$307,731	$0	$307,731	100.0	0
General Merchandise Stores	**$11,368,967**	**$73,381**	**$11,295,586**	**98.7**	**1**
Department Stores Excluding Leased Depts.	$9,243,896	$0	$9,243,896	100.0	0
Other General Merchandise Stores	$2,125,071	$73,381	$2,051,691	93.3	1
Miscellaneous Store Retailers	**$2,381,553**	**$686,497**	**$1,695,056**	**55.2**	**18**
Florists	$106,345	$59,432	$46,913	28.3	3
Office Supplies, Stationery & Gift Stores	$357,259	$196,493	$160,766	29.0	7
Used Merchandise Stores	$297,019	$56,034	$240,984	68.3	3
Other Miscellaneous Store Retailers	$1,620,931	$374,538	$1,246,393	62.5	5
Nonstore Retailers	**$1,333,390**	**$352,945**	**$980,445**	**58.1**	**4**
Electronic Shopping & Mail-Order Houses	$1,071,739	$279,867	$791,871	58.6	1
Vending Machine Operators	$68,595	$26,725	$41,870	43.9	1
Direct Selling Establishments	$193,056	$46,353	$146,703	61.3	2
Food Services & Drinking Places	**$6,357,319**	**$1,924,395**	**$4,432,924**	**53.5**	**31**
Full-Service Restaurants	$3,632,456	$1,399,191	$2,233,265	44.4	22
Limited-Service Eating Places	$2,385,793	$506,642	$1,879,151	65.0	7
Special Food Services	$156,625	$0	$156,625	100.0	0
Drinking Places - Alcoholic Beverages	$182,445	$18,562	$163,883	81.5	2

Note: All figures quoted in 2015 dollars. Supply (retail sales) estimates sales to consumers by establishments, sales to businesses are excluded. Demand (retail potential) estimates the expected amout spent by consumers at a retail establishment. Leakage/Surplus factor measures the relationship between supply and demand at ranges from +100 (total leakage) to -100 (total surplus). A positive value represents "leakage" of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area.

Sources: ESRI; Maxfield Research & Consulting, LLC

TABLE D-27
RETAIL DEMAND POTENTIAL AND LEAKAGE
SAVAGE RETAIL LEAKAGE
2015

Industry Group (NAICS Code)	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap (Demand - Supply)	Surplus/Leakage Factor	Number of Businesses
SUMMARY					
Total Retail Trade and Food & Drink (NAICS 44-45, 722)	$37,540,017	$19,881,854	$17,658,163	30.8	165
Total Retail Trade (NAICS 44-45)	$33,851,901	$17,854,012	$15,997,888	30.9	117
Total Food & Drink (NAICS 722)	$3,688,116	$2,027,841	$1,660,275	29.0	48
EXPENDITURE TYPE					
Motor Vehicle & Parts Dealers	**$7,937,265**	**$5,169,927**	**$2,767,339**	**21.1**	**25**
Automobile Dealers	$6,423,980	$2,774,729	$3,649,250	39.7	9
Other Motor Vehicle Dealers	$1,005,884	$1,074,492	($68,609)	(3.3)	3
Auto Parts, Accessories & Tire Stores	$507,402	$1,320,705	($813,303)	(44.5)	13
Furniture & Home Furnishings Stores	**$969,749**	**$229,487**	**$740,262**	**61.7**	**4**
Furniture Stores	$643,586	$0	$643,586	100.0	0
Home Furnishings Stores	$326,163	$229,487	$96,676	17.4	4
Electronics & Appliance Stores	**$1,576,614**	**$507,039**	**$1,069,575**	**51.3**	**8**
Bldg Materials, Garden Equip. & Supply Stores	**$1,783,748**	**$1,857,818**	**($74,070)**	**(2.0)**	**20**
Bldg Material & Supplies Dealers	$1,472,917	$1,327,630	$145,287	5.2	16
Lawn & Garden Equip & Supply Stores	$310,832	$530,188	($219,356)	(26.1)	4
Food & Beverage Stores	**$5,656,635**	**$3,461,456**	**$2,195,179**	**24.1**	**14**
Grocery Stores	$4,775,709	$2,324,624	$2,451,085	34.5	7
Specialty Food Stores	$329,832	$248,883	$80,950	14.0	3
Beer, Wine & Liquor Stores	$551,094	$887,950	($336,856)	(23.4)	4
Health & Personal Care Stores	**$2,176,552**	**$1,338,884**	**$837,668**	**23.8**	**9**
Gasoline Stations	**$2,458,053**	**$1,426,792**	**$1,031,261**	**26.5**	**7**
Clothing & Clothing Accessories Stores	**$1,429,817**	**$193,008**	**$1,236,809**	**76.2**	**7**
Clothing Stores	$1,100,882	$166,001	$934,880	73.8	6
Shoe Stores	$224,824	$0	$224,824	100.0	0
Jewelry, Luggage & Leather Goods Stores	$104,111	$27,007	$77,105	58.8	1
Sporting Goods, Hobby, Book & Music Stores	**$1,092,858**	**$229,903**	**$862,955**	**65.2**	**6**
Sporting Goods/Hobby/Musical Instr Stores	$912,184	$229,903	$682,281	59.7	6
Book, Periodical & Music Stores	$180,674	$0	$180,674	100.0	0
General Merchandise Stores	**$6,637,061**	**$2,673,137**	**$3,963,924**	**42.6**	**3**
Department Stores Excluding Leased Depts.	$5,399,531	$2,673,137	$2,726,394	33.8	3
Other General Merchandise Stores	$1,237,530	$0	$1,237,530	100.0	0
Miscellaneous Store Retailers	**$1,377,117**	**$653,427**	**$723,691**	**35.6**	**13**
Florists	$57,938	$4,325	$53,613	86.1	1
Office Supplies, Stationery & Gift Stores	$205,625	$194,923	$10,702	2.7	1
Used Merchandise Stores	$173,994	$80,148	$93,846	36.9	3
Other Miscellaneous Store Retailers	$939,560	$374,031	$565,529	43.1	8
Nonstore Retailers	**$756,430**	**$113,135**	**$643,295**	**74.0**	**1**
Electronic Shopping & Mail-Order Houses	$622,573	$113,135	$509,438	69.2	1
Vending Machine Operators	$39,997	$0	$39,997	100.0	0
Direct Selling Establishments	$93,860	$0	$93,860	100.0	0
Food Services & Drinking Places	**$3,688,116**	**$2,027,841**	**$1,660,275**	**29.0**	**48**
Full-Service Restaurants	$2,103,071	$920,591	$1,182,480	39.1	26
Limited-Service Eating Places	$1,390,539	$1,015,104	$375,435	15.6	20
Special Food Services	$88,805	$3,249	$85,556	92.9	1
Drinking Places - Alcoholic Beverages	$105,701	$88,898	$16,804	8.6	1

Note: All figures quoted in 2015 dollars. Supply (retail sales) estimates sales to consumers by establishments, sales to businesses are excluded. Demand (retail potential) estimates the expected amout spent by consumers at a retail establishment. Leakage/Surplus factor measures the relationship between supply and demand at ranges from +100 (total leakage) to -100 (total surplus). A positive value represents "leakage" of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area.

Sources: ESRI; Maxfield Research & Consulting, LLC

TABLE D-28
RETAIL DEMAND POTENTIAL AND LEAKAGE
SHAKOPEE SUBMARKET
2015

Industry Group (NAICS Code)	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap (Demand - Supply)	Surplus/Leakage Factor	Number of Businesses
SUMMARY					
Total Retail Trade and Food & Drink (NAICS 44-45, 722)	$71,994,459	$73,950,036	($1,955,577)	(1.3)	263
Total Retail Trade (NAICS 44-45)	$64,883,373	$69,175,213	($4,291,840)	(3.2)	192
Total Food & Drink (NAICS 722)	$7,111,086	$4,774,823	$2,336,263	19.7	71
EXPENDITURE TYPE					
Motor Vehicle & Parts Dealers	**$15,139,737**	**$19,268,193**	**($4,128,456)**	**(12.0)**	**41**
Automobile Dealers	$12,255,812	$15,159,487	($2,903,675)	(10.6)	21
Other Motor Vehicle Dealers	$1,909,308	$3,509,917	($1,600,609)	(29.5)	12
Auto Parts, Accessories & Tire Stores	$974,616	$598,789	$375,827	23.9	8
Furniture & Home Furnishings Stores	**$1,859,623**	**$2,669,625**	**($810,002)**	**(17.9)**	**10**
Furniture Stores	$1,234,749	$2,116,518	($881,770)	(26.3)	5
Home Furnishings Stores	$624,874	$553,107	$71,768	6.1	5
Electronics & Appliance Stores	**$3,025,958**	**$4,862,353**	**($1,836,395)**	**(23.3)**	**14**
Bldg Materials, Garden Equip. & Supply Stores	**$3,400,450**	**$7,772,459**	**($4,372,009)**	**(39.1)**	**24**
Bldg Material & Supplies Dealers	$2,822,471	$6,006,388	($3,183,917)	(36.1)	18
Lawn & Garden Equip & Supply Stores	$577,979	$1,766,071	($1,188,092)	(50.7)	6
Food & Beverage Stores	**$10,888,551**	**$7,100,899**	**$3,787,652**	**21.1**	**19**
Grocery Stores	$9,193,102	$5,719,456	$3,473,647	23.3	9
Specialty Food Stores	$635,270	$129,079	$506,191	66.2	2
Beer, Wine & Liquor Stores	$1,060,179	$1,252,364	($192,185)	(8.3)	8
Health & Personal Care Stores	**$4,118,022**	**$1,607,323**	**$2,510,699**	**43.9**	**14**
Gasoline Stations	**$4,721,153**	**$4,512,255**	**$208,897**	**2.3**	**12**
Clothing & Clothing Accessories Stores	**$2,767,520**	**$441,713**	**$2,325,806**	**72.5**	**6**
Clothing Stores	$2,129,589	$221,540	$1,908,049	81.2	3
Shoe Stores	$436,892	$140,670	$296,222	51.3	1
Jewelry, Luggage & Leather Goods Stores	$201,038	$79,503	$121,535	43.3	2
Sporting Goods, Hobby, Book & Music Stores	**$2,109,058**	**$1,417,752**	**$691,306**	**19.6**	**17**
Sporting Goods/Hobby/Musical Instr Stores	$1,759,807	$1,417,752	$342,056	10.8	17
Book, Periodical & Music Stores	$349,250	$0	$349,250	100.0	0
General Merchandise Stores	**$12,771,949**	**$16,873,250**	**($4,101,301)**	**(13.8)**	**7**
Department Stores Excluding Leased Depts.	$10,393,351	$9,128,156	$1,265,195	6.5	3
Other General Merchandise Stores	$2,378,598	$7,745,094	($5,366,497)	(53.0)	4
Miscellaneous Store Retailers	**$2,626,249**	**$2,441,449**	**$184,800**	**3.6**	**26**
Florists	$106,746	$70,743	$36,003	20.3	3
Office Supplies, Stationery & Gift Stores	$393,226	$510,249	($117,023)	(13.0)	7
Used Merchandise Stores	$335,968	$268,271	$67,697	11.2	6
Other Miscellaneous Store Retailers	$1,790,310	$1,592,186	$198,124	5.9	10
Nonstore Retailers	**$1,455,104**	**$207,942**	**$1,247,162**	**75.0**	**2**
Electronic Shopping & Mail-Order Houses	$1,200,234	$166,526	$1,033,708	75.6	1
Vending Machine Operators	$77,084	$0	$77,084	100.0	0
Direct Selling Establishments	$177,786	$41,416	$136,370	62.2	1
Food Services & Drinking Places	**$7,111,086**	**$4,774,823**	**$2,336,263**	**19.7**	**71**
Full-Service Restaurants	$4,053,133	$2,330,285	$1,722,848	27.0	32
Limited-Service Eating Places	$2,684,666	$2,234,633	$450,033	9.1	32
Special Food Services	$167,955	$28,796	$139,159	70.7	2
Drinking Places - Alcoholic Beverages	$205,332	$181,109	$24,223	6.3	5

Note: All figures quoted in 2015 dollars. Supply (retail sales) estimates sales to consumers by establishments, sales to businesses are excluded. Demand (retail potential) estimates the expected amout spent by consumers at a retail establishment. Leakage/Surplus factor measures the relationship between supply and demand at ranges from +100 (total leakage) to -100 (total surplus). A positive value represents "leakage" of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area.

Sources: ESRI; Maxfield Research & Consulting, LLC

Employment Section

Introduction

This section of the report examines employment and economic characteristics. The demand for office, industrial and retail space can be affected by existing local employment and future trends. Included in this section is an analysis of:

- Employment trends and projections;
- Resident employment;
- Commuting patterns;
- Quarterly Census of Employment and Wages;
- Major employers;
- Major employer interviews;
- Company expansions;
- Economic development initiatives;
- Business development activity trends; and,
- Home-based business analysis

This section of the report includes totals for each community and township in the County. Detailed employment tables are provided at the end of this section.

Table E-1: Employment Trends and Projections

Table E-1 shows the total number of jobs by community from 2000 projected to 2040. The data from is from the Metropolitan Council and the Minnesota Department of Employment and Economic Development.

- There were a total of 41,545 jobs in Scott County in 2010, the majority of which were located in the following communities:
    - Shakopee - 18,831 jobs, 45.3% of the County
    - Prior Lake – 7,766 jobs, 18.7% of the County
    - Savage – 6,753 jobs, 16.3% of the County
- The number of jobs in Scott County is projected to grow by 8,940 jobs from 2015 to 2020 (+19.5%). This is higher than the Twin Cities Metro Area, which is projected to experience growth of 6.6% during this period.
- Scott County employment is anticipated to increase 12.9% between 2020 and 2030, and continue growing at a slightly slower rate between 2030 and 2040 (+10.4%), according to projections from the Metropolitan Council. Employment in the Metro Area is projected to increase 6.8% between 2020 and 2030 and 6.3% between 2030 and 2040.
- The Elko New Market Submarket is projected to add 1,542 jobs between 2015 and 2020, a 181.8% increase in employment. On a numeric basis, the Shakopee Submarket is projected to experience the greatest growth between 2015 and 2020, adding 4,736 jobs (+22.0%).

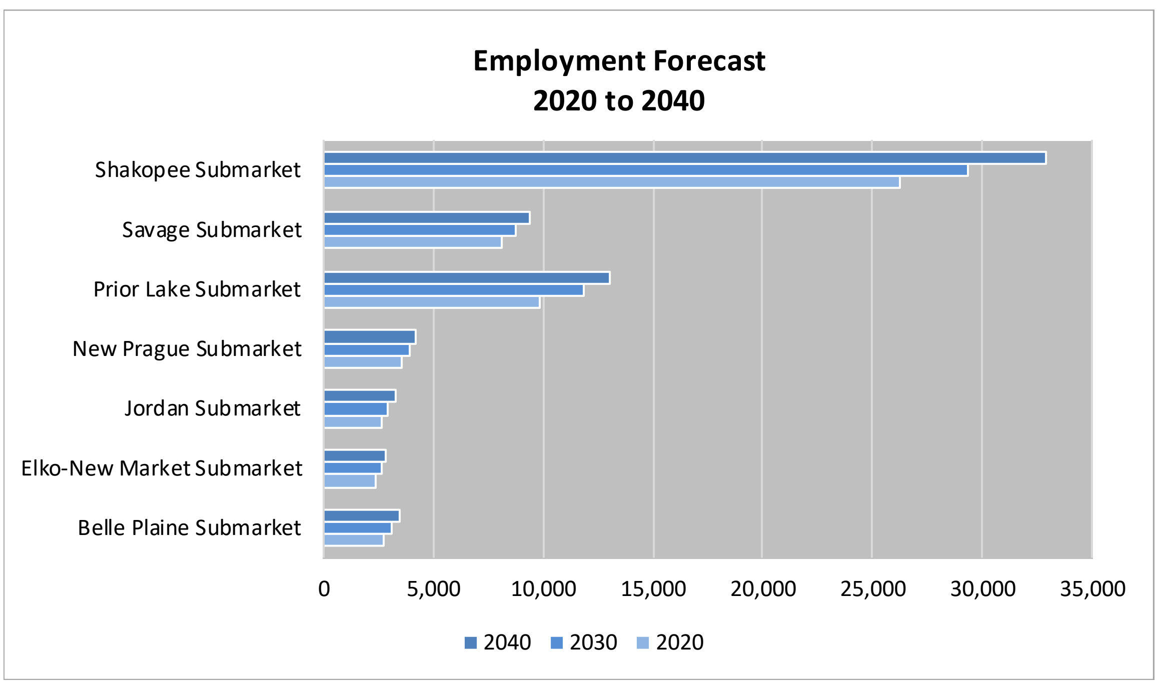


Table E-2: Resident Employment

Table E-2 presents resident employment data for Scott County from 2000 through August 2016. Resident employment data is calculated as an annual average and reveals the work force and *number of employed people living in the County*. Not all of these individuals necessarily work in the County.

- In Scott County and the major cities in the County, the unemployment rate reached a high in 2009. As of the end of August 2016, all areas had unemployment rates near 3%. The unemployment rate in Savage was 2.7% as of August 2016. Full unemployment is typically achieved when the unemployment rate is approximately 5%. As unemployment falls below this mark, employers often experience shortages of workers with certain skills to fill empty positions. They may be constrained to expand and may also experience pressure to increase wages, which can lead to rising inflation.

- From 2010 through August 2016, the size of the labor force in Scott County increased by 5,533 people while total employment increased by 8,083 workers. As a result, the unemployment rate fell from 6.7% in 2010 to 3.2% in 2016.

- Scott County has a larger labor force than in prerecession years and the unemployment rate is the lowest it has been since 2000.

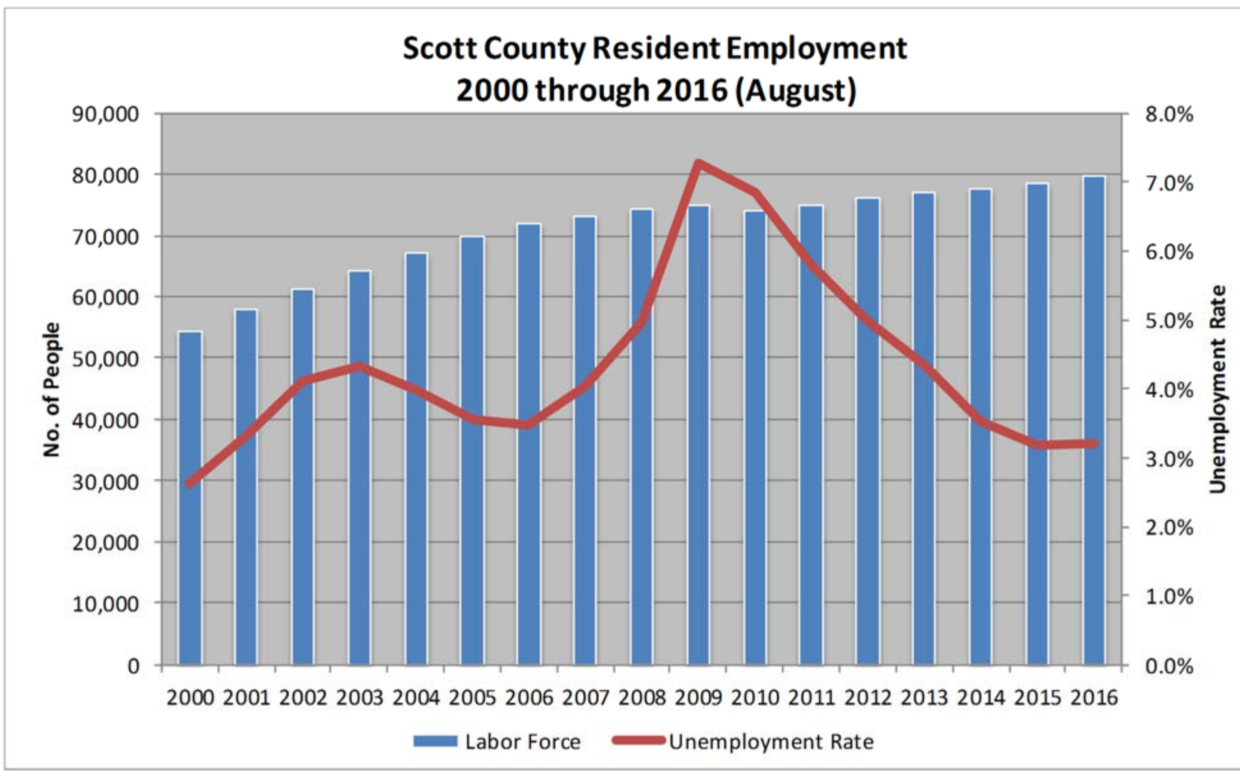


Table E-3 and E-4: Commuting Patterns

Table E-3 shows estimated commuter patterns to and from Scott County based on data obtained from the 2014 American Community Survey (the most recent data available). The data shows the work destinations for people who live in the County, as well as where employees live who are employed in the County. Table E-4 shows the characteristics of workers by inflow and outflow commuters. Outflow reflects the number of workers living in the County but employed outside the County. Inflow measures the number of workers that are employed in the County but live outside the County. Interior flow reflects the numbers of workers that live and work in the County.

- There is a large out-migration of workers from Scott County. Only 24.4% of Scott County residents in 2014 also worked in Scott County. Of the 75.6% that commuted to jobs outside the County, most commuted to jobs in Hennepin County (40.6%) followed by Dakota County (15.1%).

- Slightly over half of the jobs in Scott County in 2014 were filled by people living outside of the County. Most of these people lived in Dakota County (14.6% of commuters to Scott County jobs), Hennepin County (14.4%) and Carver County (5.7%).

- Among outflow workers, 57.5% earn more than $3,333, compared to 47.5% of inflow workers and 37.8% of interior flow workers.

- Outflow workers are more likely to be aged 30 to 54, 62.8%, compared to inflow and interior flow workers, where workers aged 30 to 54 accounted for approximately 55% of workers.

- Approximately 25% of inflow workers were employed in the Goods Producing industry class, compared to 17.3% of outflow workers and 15.4% of interior flow workers.

Table E-5: Covered Employment

Table E-5 presents covered employment for Scott County in 2012 through 2015. Covered employment data is calculated as an annual average and *reveals the number of jobs in the County*, which are covered by unemployment insurance. Most farm jobs, self-employed people and some other types of jobs are not covered by unemployment insurance and are not included in the table. The data comes from the Minnesota Department of Employment and Economic Development Department.

- Between 2012 and 2015, employment in Scott County grew by 8.2% compared to a 5.1% increase in employment within the seven county Twin Cities Metro Area.

- During the same time, wages increased by 9.1% in Scott County, compared to 7.7% in the Twin Cities Metro Area.

- In 2015, Construction and Manufacturing sectors in Scott County offered the highest weekly wages, $1,246 and $1,376 respectively. These same industries experienced the largest growth in employment and wages between 2012 and 2015.

- Leisure and hospitability had the largest number of employees (9,102) in Scott County in 2015. This industry sector offered an average weekly wage of $526, the lowest wage among all industries surveyed.

Table E-6: Major Employers

Table E-6 shows the major employers in Scott County by municipality in 2016 based on data provided by ESRI, Reference USA, and Infogroup in addition to calls to major employers. The business inventory database is compiled from multiple sources; including directory resources from the yellow and white pages, annual reports, 10ks, SEC filings, government data, U.S. Postal Service, business trade directories, newspapers, etc. To ensure accurate information, phone telephone verifications are completed for each business in the database. The data is characterized based on the six-digit North American Industry Classification System (NAICS). The NAICS is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy.

- The Shakopee Mdewakanton Sioux Community is one of the largest employers as they own and operate Mystic Lake Casino Hotel, Little Six Casino, Dakotah! Sport & Fitness, Playworks, Dakota Convenience Store, Dakota Meadows RV Park and Campgrounds, Dakota Meadows Storage Facility, and The Meadows at Mystic Lake Golf Club.

- The largest employer in the County was Mystic Lake Casino in Prior Lake with approximately 4,000 employees.

- Four of the five largest employers in the County are located in Shakopee, with each of these employers employing more than 1,000 people.

- Shakopee has several top employers including, Valleyfair Amusement Park, Seagate Technology, Shutterfly, Allina Hospitals and Clinics, and Amazon. Valleyfair’s employment base is predominantly seasonal. There are about 70 full-time, year-round employees and about 1,600 seasonal employees.

- Schools, grocery stores and health-related services were major employers in most submarkets. In Elko New Market, contractor specializations comprised the largest employers.

Major Employer Interviews

Maxfield Research surveyed representatives of the largest employers in Scott County during April 2016 and May 2016. The questions covered topics such as trends in commuting, anticipated job growth, the ability for business to expand and if the current supply of housing in the area matches the needs of their workforce. Respondents were also asked about the desire for additional training opportunities. The following points summarize the findings of the survey.

- There are a significant number of employers with a long tenure in Scott County, 20 years or more. Although many of these companies have changed ownership, their production has not changed through the decades. Newer employers in the County are consumer and service oriented, such as grocery stores and fitness centers, primarily serving the resident population.

- Many employers reported that new employees are living in the County when they are hired, with the majority of new and existing employees living within 30 miles of their work locations.

- The tendency to commute shifts depending on the job category. Several employers reported that employees in management positions are more likely to commute from further away. However, employees in lower level or service positions are more likely to live in the community or a nearby community.

- Many employers noted that employees are not likely to relocate once hired for a new position. This is largely due to the fact new employees were reported to be living in the area at the time of hire.

- Among employees that live greater distances from the new position, employers reported that they continue to commute as opposed to relocating closer to their work.

- With a larger number of new and existing employees choosing not to relocate, many employers did not receive feedback from employees on the type of housing sought by employees.

- For employers that did have employees relocating, employees mentioned they found prices were high in the for sale and rental markets, especially for service and public sector employees. Several employers also found that temporary rentals were hard to find for seasonal employees and those employees in transition during relocation.

- As a place to live and work, employers reported a “something for everyone” view. The location is close to major cities, along with the amenities and attractions that larger cities provide. However, many cities in Scott County still offer residents a small town atmosphere with a closely connected community.

- For employer hiring needs, the proximity to the larger Metro Area offers a deeper labor pool. At the same time, employers have to compete for employees with the larger market, which can increase the time and money spent on recruitment.

- Outside of Shakopee, many employers reported that a lack of local shopping, eating and activity choices can deter relocation.

- Several employers also reported a lack of public transportation. This creates a challenge for employee retention, particularly in service and retail jobs.

- No employers anticipated a decrease in the number of employees and nearly half of the employers surveyed expect employment to remain steady. The remaining employers reported a desire to see their employment numbers rise, but noted that growth remains dependent on general economic conditions, further growth and development in the area, gas prices and competition for qualified employees.

- The majority of employers would be able to expand their operations at their current locations. Several employers reported that they elected to relocate to Scott County because they were able to find larger sites that would allow them to expand.

- The major employers in Scott County primarily offer full-time employment. However, consumer and service-oriented occupations typically offer part-time or seasonal employment.

- Of the employers that responded to our survey, production and operation positions comprised the largest proportion of employees, followed by professional and technical positions. These position tend to be full time.

Employer Training Survey

- Approximately one-third of the employers that responded to our survey stated that most of their employee training is conducted by corporate offices or union officials. Therefore, they did not feel they would seek training opportunities outside their current situations.

- A few employers were interested in the potential of the student body, as opposed to the training opportunities offered by a community or technical college. For example, students would expand the potential employment base for part-time, service-oriented positions. A school district also commented that the addition of a community or technical college would offer a benefit to high school students in the area for dual enrollment and technical training.

- Employers did express interest in additional training offerings, particularly in their specialized fields of health care, productions and business management.

- Of those employers that completed the training survey, they were interested in management and leadership training for existing employees. In addition, courses that could help employees stay up-to-date on changing technology and regulations were suggested.

- Healthcare service training was a specific need. Senior living and health care employers reported a shortage of qualified and interested job seekers. The addition of an education facility that could increase the pool of qualified applicants and offer the opportunity for employers to partner with the program was of particular interest.

- Employers suggested a variety of training delivery options, depending on their needs and field. For health care fields, employers preferred instructor-led training for credit. Those interested in leadership training were open to a combination of instructor or online training that could be credit earning or non-credit earning.

- There was some consensus among responding employers that their in-house training is limited and additional training would meet a need for their companies.

Table E-7: Company Expansions

Table E-7 shows major business expansions in Scott County.

- Several new businesses have chosen to locate in Scott County, including Amazon and Shutterfly.
- The Hy-Vee supermarket chain is expanding into the Twin Cities Metro. The Savage city council approved the development of a Hy-Vee store in September of 2015. In addition, Hy-Vee has been looking for locations for a store in Shakopee.
- Emerson's new Shakopee headquarters is a five-year expansion project, with a $70 million investment that is also expected to add 500 new employees.
- Scott County developed a high-speed fiber-optic network that is available for connection with local businesses. The ability to access a high-speed fiber optic network reportedly played a role in a number of company location decisions for Scott County including Emerson and Shutterfly.

Economic Development Initiatives

Economic development initiatives support the growth and development of business through matching grants, loans and training programs. There are a variety of programs available throughout the County and several city specific programs. In Scott County, businesses can take advantage of business counseling and training through the Economic Gardening program and the MCCD Open to Business program.

Businesses in Scott County also have financing options through Tax Increment Financing, Tax Abatement and Façade Improvement Grants. These programs are available throughout Scott County, however, cities have varying requirements to participate in these programs. For example, in Belle Plaine, businesses can apply for a $1,500 matching loan to make visual improvements to the exterior of buildings. The loan requires a 1:1 match by the participating business and is forgivable if the business remains in the community for one year following distribution of the funds. In Jordan, the Façade Improvement Program assists businesses to implement Central Business District Design Standards. The funds are distributed as matching grants requiring a 1:1 match from the business. Grants are available for between $2,500 and $5,000 depending on the total cost of the project.

In addition to the programs available in Scott County, there are also City specific programs available. Jordan offers the "Jobs for Fees" program which reduces the costs of required permits for new businesses and existing businesses looking to expand. The program is used for businesses that retain or increase jobs offering stable employment, attractive wages or diversify the City's economic base. Another program is the Prior Lake Technology Village Business Accelerator Program which helps new business start-ups by offering low cost furnished office space, advisory support and networking opportunities. The City of New Prague recently opened a Small Cities Development Program for its Downtown area which offers funding for projects such as life/safety issues and façade improvements. New Prague also recently purchased land and platted a new nine-lot industrial park.

The Local Incentives and Economic Development Programs in Scott County provide new and existing businesses with a spectrum of support ranging from counselling to grants. Interested parties can easily locate the programs available in the county and city of interest on the Scott County's CDA First Stop Shop website. The website provides basic program information and specific contact information for each city and county, making the process of pursing an economic development program clear and simple for prospective businesses.

Business Development Activity Trends

- Scott County industrial sales and leasing activity was strong in the past of couple of years, leading several speculative development projects in 2016.
- The strong industrial real estate market over the past five years has been driven by the availability of "ready-to-go" land, close proximity to Highway 169 and City and County staff actively assisting tenants and developers.
- Industrial sales and leasing activity in the County peaked in 2015 as a result of pent-up demand being satisfied and large user demand.
- Minimal tech/flex space has been built because these spaces are expensive to operate and difficult to re-tenant.
- Office leasing and sales activity has been characterized as being slow, while demand for retail space is relatively strong.
- Most of the larger users have favored build-to-suit projects, typically signing leases for time-periods of ten years or longer. This trend is due, in large part, to the desire of tenants/users to get a building that fits their precise needs rather than trying to retrofit an existing building to fit their needs, as existing buildings are often too expensive to retrofit.
- Generally, tenants seek locations near other tenants, near amenities and where there is convenient access. A disadvantage for Scott County is a more rural feel, users are not likely to locate south of Shakopee along Highway 169 (i.e. in Louisville Township), especially higher-end users (technology, medical-manufacturing, etc.)

TABLE E-1
EMPLOYMENT GROWTH AND PROJECTIONS
SCOTT COUNTY
2000 - 2040

	Employment						Change									
	Metropolitan Council			Forecast			2000 - 2010		2010 - 2015		2015 - 2020		2020 - 2030		2030 - 2040	
	2000	2010	2015	2020	2030	2040	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
City of Belle Plaine	1,428	1,847	1,670	2,600	2,950	3,300	419	29.3%	-177	-9.6%	930	55.7%	350	13.5%	350	11.9%
Belle Plaine Township	77	69	76	70	70	70	-8	-10.4%	7	10.1%	-6	-7.9%	0	0.0%	0	0.0%
Blakeley Township	70	69	72	80	90	100	-1	-1.4%	3	4.3%	8	11.1%	10	12.5%	10	11.1%
Belle Plaine Submarket	**1,575**	**1,985**	**1,818**	**2,750**	**3,110**	**3,470**	**410**	**26.0%**	**-167**	**-8.4%**	**932**	**51.3%**	**360**	**13.1%**	**360**	**11.6%**
Elko-New Market City[1]	248	317	403	1,630	1,780	1,940	69	27.8%	86	27.1%	1,227	304.5%	150	9.2%	160	9.0%
New Market Township	262	262	325	560	580	600	0	0.0%	63	24.0%	235	72.3%	20	3.6%	20	3.4%
Cedar Lake Township	91	82	120	200	260	320	-9	-9.9%	38	46.3%	80	66.7%	60	30.0%	60	23.1%
Elko-New Market Submarket	**601**	**661**	**848**	**2,390**	**2,620**	**2,860**	**60**	**10.0%**	**187**	**28.3%**	**1,542**	**181.8%**	**230**	**9.6%**	**240**	**9.2%**
Jordan City	1,321	1,587	1,912	2,200	2,500	2,800	266	20.1%	325	20.5%	288	15.1%	300	13.6%	300	12.0%
St. Lawrence Township	145	48	94	80	80	80	-97	-66.9%	46	95.8%	-14	-14.9%	0	0.0%	0	0.0%
Sand Creek Township	249	298	338	340	360	380	49	19.7%	40	13.4%	2	0.6%	20	5.9%	20	5.6%
Jordan Submarket	**1,715**	**1,933**	**2,344**	**2,620**	**2,940**	**3,260**	**218**	**12.7%**	**411**	**21.3%**	**276**	**11.8%**	**320**	**12.2%**	**320**	**10.9%**
New Prague City[2]	3,116	3,009	3,047	3,097	3,347	3,650	-107	-3.4%	38	1.3%	50	1.6%	250	8.1%	303	9.1%
Helena Township	473	147	413	502	549	597	-326	-68.9%	266	181.0%	89	21.5%	47	9.4%	48	8.7%
New Prague Submarket	**3,589**	**3,156**	**3,460**	**3,599**	**3,896**	**4,247**	**-433**	**-12.1%**	**304**	**9.6%**	**139**	**4.0%**	**297**	**8.3%**	**351**	**9.0%**
Prior Lake City[3]	7,972	7,766	8,167	9,000	11,000	12,100	-206	-2.6%	401	5.2%	833	10.2%	2,000	22.2%	1,100	10.0%
Spring Lake Township	176	390	514	460	480	490	214	121.6%	124	31.8%	-54	-10.5%	20	4.3%	10	2.1%
Credit River Township	265	397	358	410	420	420	132	49.8%	-39	-9.8%	52	14.5%	10	2.4%	0	0.0%
Prior Lake Submarket	**8,413**	**8,553**	**9,039**	**9,870**	**11,900**	**13,010**	**140**	**1.7%**	**486**	**5.7%**	**831**	**9.2%**	**2,030**	**20.6%**	**1,110**	**9.3%**
Savage City	5,366	6,753	7,638	8,100	8,800	9,400	1,387	25.8%	885	13.1%	462	6.0%	700	8.6%	600	6.8%
Savage Submarket	**5,366**	**6,753**	**7,638**	**8,100**	**8,800**	**9,400**	**1,387**	**25.8%**	**885**	**13.1%**	**462**	**6.0%**	**700**	**8.6%**	**600**	**6.8%**
Shakopee City	13,938	18,831	20,880	25,500	28,500	31,900	4,893	35.1%	2,049	10.9%	4,620	22.1%	3,000	11.8%	3,400	11.9%
Jackson Township	92	168	277	340	430	530	76	82.6%	109	64.9%	63	22.7%	90	26.5%	100	23.3%
Louisville Township	476	298	367	420	450	460	-178	-37.4%	69	23.2%	53	14.4%	30	7.1%	10	2.2%
Shakopee Submarket	**14,506**	**19,297**	**21,524**	**26,260**	**29,380**	**32,890**	**4,791**	**33.0%**	**2,227**	**11.5%**	**4,736**	**22.0%**	**3,120**	**11.9%**	**3,510**	**11.9%**
Scott County	**34,980**	**41,545**	**45,960**	**54,900**	**61,990**	**68,440**	**6,565**	**18.8%**	**4,415**	**10.6%**	**8,940**	**19.5%**	**7,090**	**12.9%**	**6,450**	**10.4%**
Twin Cities Metro	*1,607,916*	*1,544,613*	*1,680,396*	*1,791,080*	*1,913,050*	*2,032,660*	*-63,303*	*-3.9%*	*135,783*	*8.8%*	*110,684*	*6.6%*	121,970	6.8%	119,610	6.3%

[1]Elko-New Market combined in 2007. Historic data has been combined.
[2]Includes portion of New Prague located in Le Sueur County.
[3] Employment forecasts for Prior Lake include 4,000 people employed at SMSC, most of whom work at the casino complex.
Sources: Metropolitan Council, MNDEED, Maxfield Research and Consulting, LLC

TABLE E-2
RESIDENT EMPLOYMENT
LARGE CITIES IN SCOTT COUNTY
2000 through 2016 (August)

Year	Labor Force	Employment	Unemployment	Unemployment Rate
	Prior Lake			
2016 *	14,177	13,714	463	3.3%
2015	13,867	13,386	481	3.5%
2014	13,728	13,206	522	3.8%
2013	13,661	13,015	646	4.7%
2012	13,376	12,649	727	5.4%
2011	13,140	12,301	839	6.4%
2010	13,038	12,062	976	7.5%
2009	14,311	13,210	1,101	7.7%
2008	14,131	13,397	734	5.2%
2007	13,945	13,365	580	4.2%
2006	12,298	11,865	433	3.5%
2005	12,013	11,582	431	3.6%
2004	11,598	11,146	452	3.9%
2003	11,090	10,628	462	4.2%
2002	10,483	10,065	418	4.0%
2001	10,007	9,690	317	3.2%
2000	9,600	9,351	249	2.6%
	Savage			
	Labor Force	**Employment**	**Unemployment**	**Unemployment Rate**
2016 *	17,261	16,801	460	2.7%
2015	17,001	16,495	506	3.0%
2014	16,837	16,274	563	3.3%
2013	16,716	16,039	677	4.1%
2012	16,336	15,565	771	4.7%
2011	15,996	15,156	840	5.3%
2010	15,926	14,884	1,042	6.5%
2009	16,139	15,060	1,079	6.7%
2008	16,061	15,344	717	4.5%
2007	15,765	15,204	561	3.6%
2006	15,845	15,370	475	3.0%
2005	15,530	15,065	465	3.0%
2004	15,090	14,561	529	3.5%
2003	14,914	14,334	580	3.9%
2002	14,695	14,149	546	3.7%
2001	14,098	13,672	426	3.0%
2000	12,982	12,675	307	2.4%

(continued)

TABLE E-2 Continued
RESIDENT EMPLOYMENT
LARGE CITIES IN SCOTT COUNTY
2000 through 2015

Shakopee

	Labor Force	Employment	Unemployment	Unemployment Rate
2016 *	22,685	21,982	703	3.1%
2015	22,439	21,727	712	3.2%
2014	22,237	21,436	801	3.6%
2013	22,104	21,126	978	4.4%
2012	21,878	20,784	1,094	5.0%
2011	21,558	20,278	1,280	5.9%
2010	21,261	19,838	1,423	6.7%
2009	20,384	18,842	1,542	7.6%
2008	20,164	19,116	1,048	5.2%
2007	19,832	19,019	813	4.1%
2006	19,718	19,022	696	3.5%
2005	18,879	18,193	686	3.6%
2004	17,856	17,095	761	4.3%
2003	16,436	15,663	773	4.7%
2002	15,566	14,879	687	4.4%
2001	14,305	13,777	528	3.7%
2000	13,082	12,721	361	2.8%

Scott County

	Labor Force	Employment	Unemployment	Unemployment Rate
2016 *	79,684	77,148	2,536	3.2%
2015	78,387	75,896	2,491	3.2%
2014	77,622	74,879	2,743	3.5%
2013	77,161	73,796	3,365	4.4%
2012	76,035	72,250	3,785	5.0%
2011	74,874	70,534	4,340	5.8%
2010	74,151	69,065	5,086	6.9%
2009	74,949	69,500	5,449	7.3%
2008	74,340	70,646	3,694	5.0%
2007	73,099	70,143	2,956	4.0%
2006	71,811	69,311	2,500	3.5%
2005	69,821	67,345	2,476	3.5%
2004	67,139	64,460	2,679	4.0%
2003	64,052	61,279	2,773	4.3%
2002	61,168	58,653	2,515	4.1%
2001	57,894	55,967	1,927	3.3%
2000	54,351	52,918	1,433	2.6%

* Through August 2016

Sources: MNDEED, Maxfield Research and Consulting, LLC

TABLE E-3
COMMUTING PATTERNS
SCOTT COUNTY
2014

Home Destination			Work Destination		
Place of Residence	**Count**	**Share**	**Place of Employment**	**Count**	**Share**
Scott County, MN	17,935	44.4%	Hennepin County, MN	29,777	40.6%
Dakota County, MN	5,876	14.6%	Scott County, MN	17,935	24.4%
Hennepin County, MN	5,824	14.4%	Dakota County, MN	11,055	15.1%
Carver County, MN	2,297	5.7%	Ramsey County, MN	3,793	5.2%
Le Sueur County, MN	1,698	4.2%	Carver County, MN	3,428	4.7%
Ramsey County, MN	937	2.3%	Anoka County, MN	1,050	1.4%
Rice County, MN	928	2.3%	Le Sueur County, MN	806	1.1%
Anoka County, MN	620	1.5%	St. Louis County, MN	449	0.6%
Sibley County, MN	536	1.3%	Rice County, MN	432	0.6%
Washington County, MN	510	1.3%	Blue Earth County, MN	416	0.6%
All Other Locations	3,208	7.9%	All Other Locations	4,273	5.8%
Distance Traveled			Distance Traveled		
Total Primary Jobs	40,369	100.0%	Total Primary Jobs	73,414	100.0%
Less than 10 miles	20,608	51.0%	Less than 10 miles	28,937	39.4%
10 to 24 miles	13,397	33.2%	10 to 24 miles	33,433	45.5%
25 to 50 miles	4,470	11.1%	25 to 50 miles	7,639	10.4%
Greater than 50 miles	1,894	4.7%	Greater than 50 miles	3,405	4.6%

Home Destination: Where workers live who are employed in the selection area
Work Destination: Where workers are employed who live in the selection area

Sources: U.S. Census Bureau Local Employment Dynamics, Maxfield Research & Consulting, LLC

TABLE E-4
COMMUTING INFLOW/OUTFLOW CHARACTERISTICS
SCOTT COUNTY
2014

	Outflow		Inflow		Interior Flow	
County Total	**55,479**	**100.0%**	**22,434**	**100.0%**	**17,935**	**100.0%**
By Age						
Workers Age 29 or younger	11,411	20.6%	5,071	22.6%	4,491	25.0%
Workers Age 30 to 54	34,861	62.8%	12,756	56.9%	9,956	55.5%
Workers Age 55 or older	9,207	16.6%	4,607	20.5%	3,488	19.4%
By Monthly Wage						
Workers Earning $1,250 per month or less	10,778	19.4%	4,889	21.8%	5,758	32.1%
Workers Earning $1,251 to $3,333 per month	12,812	23.1%	6,896	30.7%	5,390	30.1%
Workers Earning More than $3,333 per month	31,889	57.5%	10,649	47.5%	6,787	37.8%
By Industry						
Workers in the "Goods Producing" Industry Class	9,582	17.3%	5,694	25.4%	2,756	15.4%
Workers in the "Trade, Transportation, and Utilities" Industry Class	11,040	19.9%	4,490	20.0%	3,382	18.9%
Workers in the "All Other Services" Industry Class	34,857	62.8%	12,250	54.6%	11,797	65.8%

Sources: U.S. Census Bureau, Maxfield Research & Consulting, LLC

TABLE E-5
QUARTERLY CENSUS OF EMPLOYMENT AND WAGES
SCOTT COUNTY
2012 through 2015 (3Q)

Industry	2012			2013			2014			2015			Change 2012 - 2015			
	Establish-ments	Employ-ment	Weekly Wage	Establish-ments	Employ-ment	Weekly Wage	Establish-ments	Employ-ment	Weekly Wage	Establish-ments	Employ-ment	Weekly Wage	Employment #	Employment %	Wage #	Wage %
Belle Plaine Submarket																
Total, All Industries	161	2,199	$525	140	2,025	$533	166	1,717	$624	159	1,785	$641	-414	-18.8%	$116	22.1%
Natural Resources & Mining	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Construction	7	21	$610	7	23	$727	5	22	$940	5	17	$878	-4	-19.0%	$268	43.9%
Manufacturing	11	98	$652	10	91	$717	10	89	$768	10	92	$850	-6	-6.1%	$198	30.4%
Trade, Transportation, Utilities	37	401	$514	40	398	$527	41	424	$508	37	409	$535	8	2.0%	$21	4.1%
Information	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Financial Activities	8	39	$935	9	40	$943	8	40	$964	8	41	$994	2	5.1%	$59	6.3%
Professional & Business Services	11	61	$1,613	13	66	$1,578	13	71	$1,512	12	75	$1,566	14	23.0%	($47)	-2.9%
Education & Health Services	13	612	$566	14	600	$596	12	645	$603	11	632	$649	20	3.3%	$83	14.7%
Leisure & Hospitality	19	749	$311	19	717	$314	20	199	$342	21	277	$287	-550	-73.4%	$31	10.0%
Other Services	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Public Administration	2	41	$837	1	44	$794	1	45	$796	1	44	$848	3	7.3%	$11	1.3%
Elko-New Market Submarket																
Total, All Industries	183	698	$628	191	904	$601	199	974	$625	111	494	$650	-204	-29.2%	$22	3.4%
Natural Resources & Mining	5	14	$0	32	80	$0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Construction	31	83	$724	N/A	N/A	N/A	30	90	$754	13	35	$765	-48	-57.8%	$41	5.7%
Manufacturing	4	23	$1,084	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Trade, Transportation, Utilities	26	110	$630	28	300	$565	29	327	$585	17	84	$638	-26	-23.6%	$8	1.2%
Information	N/A	N/A	N/A	N/A	N/A	N/A	1	0	$0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Financial Activities	5	11	$1,118	8	24	$838	3	18	$595	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Professional & Business Services	25	49	$1,007	36	74	$801	38	81	$838	20	59	$747	10	20.4%	($259)	-25.7%
Education & Health Services	5	33	$747	5	32	$745	N/A	N/A	N/A	6	41	$810	N/A	N/A	N/A	N/A
Leisure & Hospitality	15	156	$283	16	175	$276	16	185	$297	11	97	$318	-59	-37.8%	$36	12.6%
Other Services	N/A	N/A	N/A	7	19	$334	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Public Administration	1	17	$713	1	18	$736	1	19	$826	1	21	$833	4	23.5%	$120	16.8%
Jordan Submarket																
Total, All Industries	232	1,991	$730	238	2,160	$738	230	2,223	$768	219	2,284	$789	293	14.7%	$58	8.0%
Natural Resources & Mining	3	23	$845	3	22	$959	4	22	$1,100	3	20	$898	-3	-13.0%	$53	6.3%
Construction	43	187	$1,135	41	199	$1,146	37	213	$1,238	33	240	$1,246	53	28.3%	$111	9.8%
Manufacturing	12	216	$960	12	223	$1,020	13	237	$1,039	12	221	$1,108	5	2.3%	$148	15.4%
Trade, Transportation, Utilities	45	484	$845	49	493	$889	48	509	$918	51	548	$888	64	13.2%	$43	5.1%
Information	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Financial Activities	16	55	$762	17	59	$800	15	59	$890	14	63	$1,005	8	14.5%	$243	31.9%
Professional & Business Services	26	69	$772	25	76	$810	24	78	$719	29	105	$950	36	52.2%	$178	23.1%
Education & Health Services	13	429	$669	15	455	$681	15	473	$665	13	471	$644	42	9.8%	($25)	-3.7%
Leisure & Hospitality	17	205	$210	18	295	$229	16	296	$243	14	284	$266	79	38.5%	$57	27.2%
Other Services	7	26	$482	5	19	$458	10	34	$608	7	39	$556	13	50.0%	$74	15.3%
Public Administration	11	85	$914	9	87	$946	9	88	$965	9	84	$992	-1	-1.2%	$77	8.5%
New Prague Submarket																
Total, All Industries	276	3,188	$670	278	3,218	$673	277	3,233	$694	272	3,344	$720	156	4.9%	$50	7.5%
Natural Resources & Mining	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Construction	N/A	N/A	N/A	N/A	N/A	N/A	9	48	$815	9	50	$793	N/A	N/A	N/A	N/A
Manufacturing	14	267	$984	13	263	$1,000	19	548	$1,151	19	590	$1,186	323	121.0%	$202	20.5%
Trade, Transportation, Utilities	57	518	$554	55	534	$542	54	576	$566	54	556	$586	38	7.3%	$32	5.8%
Information	N/A	N/A	N/A	4	51	$0	4	53	$0	5	56	$704	N/A	N/A	N/A	N/A
Financial Activities	21	94	$844	25	102	$850	24	101	$871	25	112	$821	18	19.1%	($23)	-2.7%
Professional & Business Services	40	137	$633	36	130	$694	37	129	$703	37	146	$624	9	6.6%	($9)	-1.4%
Education & Health Services	27	1,118	$747	27	1,081	$752	27	1,038	$770	24	1,081	$783	-37	-3.3%	$36	4.8%
Leisure & Hospitality	28	371	$193	30	379	$182	30	369	$197	27	343	$206	-28	-7.5%	$13	6.7%
Other Services	26	133	$223	29	140	$236	29	149	$234	31	164	$235	31	23.3%	$12	5.4%
Public Administration	3	47	$397	3	66	$653	3	50	$425	3	73	$661	26	55.3%	$264	66.5%

CONTINUED BELOW

TABLE E-5 (CONTINUED)
QUARTERLY CENSUS OF EMPLOYMENT AND WAGES
SCOTT COUNTY
2012 through 2015 (3Q)

Industry	2012			2013			2014			2015			Change 2013 - 2014			
	Establish-ments	Employ-ment	Weekly Wage	Establish-ments	Employ-ment	Weekly Wage	Establish-ments	Employ-ment	Weekly Wage	Establish-ments	Employ-ment	Weekly Wage	Employment #	Employment %	Wage #	Wage %
Prior Lake Submarket																
Total, All Industries	654	8,558	$730	657	8,736	$743	646	8,760	$758	602	8,567	$784	9	0.1%	$54	7.4%
Natural Resources & Mining	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Construction	130	613	$1,126	129	678	$1,049	132	704	$1,118	119	709	$1,122	96	15.7%	($4)	-0.3%
Manufacturing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	$0	N/A	N/A	N/A	N/A
Trade, Transportation, Utilities	10	126	$378	98	619	$581	96	674	$555	96	691	$548	565	448.4%	$170	45.1%
Information	0	0	$0	10	64	$0	10	64	$0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Financial Activities	68	275	$972	70	328	$1,199	72	313	$1,135	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Professional & Business Services	145	540	$695	142	550	$677	135	560	$649	127	500	$709	-40	-7.4%	$14	2.0%
Education & Health Services	59	1,014	$737	60	1,043	$750	56	996	$826	54	1,118	$821	104	10.3%	$84	11.4%
Leisure & Hospitality	32	3,692	$696	29	3,667	$712	28	3,610	$724	31	3,531	$769	-161	-4.4%	$73	10.5%
Other Services	55	497	$484	62	503	$491	69	545	$512	59	577	$521	80	16.1%	$37	7.6%
Public Administration	4	929	$766	4	943	$796	4	938	$818	4	939	$844	10	1.1%	$78	10.2%
Savage Submarket																
Total, All Industries	617	6,931	$775	619	7,068	$791	612	7,262	$834	602	7,451	$859	520	7.5%	$84	10.8%
Natural Resources & Mining	3	36	$1,425	N/A	N/A	N/A	N/A	N/A	N/A	67	945	$1,399	909	2525.0%	($26)	-1.8%
Construction	71	730	$1,218	N/A	N/A	N/A	N/A	N/A	N/A	134	1,857	$812	1,127	154.4%	($406)	-33.3%
Manufacturing	39	707	$1,022	N/A	N/A	N/A	N/A	N/A	N/A	9	90	$606	-617	-87.3%	($416)	-40.7%
Trade, Transportation, Utilities	144	1,807	$734	140	1,766	$754	136	1,778	$787	47	173	$1,038	-1,634	-90.4%	$304	41.4%
Information	N/A	N/A	N/A	N/A	N/A	N/A	7	72	$536	122	553	$974	N/A	N/A	N/A	N/A
Financial Activities	N/A	N/A	N/A	N/A	N/A	N/A	48	158	$953	52	1,031	$906	N/A	N/A	N/A	N/A
Professional & Business Services	133	704	$910	132	714	$893	127	686	$1,001	122	553	$974	-151	-21.4%	$64	7.0%
Education & Health Services	59	995	$818	56	993	$838	56	1,061	$867	52	1,031	$906	36	3.6%	$88	10.8%
Leisure & Hospitality	54	1,096	$273	52	1,133	$270	52	1,176	$270	54	1,265	$293	169	15.4%	$20	7.3%
Other Services	51	435	$597	60	500	$575	66	521	$589	67	538	$600	103	23.7%	$3	0.5%
Public Administration	2	177	$847	1	178	$853	2	195	$938	2	216	$996	39	22.0%	$149	17.6%
Shakopee Submarket																
Total, All Industries	949	18,972	$967	951	19,104	$959	947	19,958	$982	916	21,400	$1,039	2,428	12.8%	$72	7.4%
Natural Resources & Mining	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3	18	$646	N/A	N/A	N/A	N/A
Construction	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	89	1,254	$1,293	N/A	N/A	N/A	N/A
Manufacturing	60	3,005	$1,271	60	3,067	$1,293	57	3,131	$1,376	54	3,926	$1,497	921	30.6%	$226	17.8%
Trade, Transportation, Utilities	219	3,905	$752	218	3,947	$747	220	4,275	$782	217	4,534	$826	629	16.1%	$74	9.8%
Information	9	124	N/A	9	134	$0	9	148	$0	8	169	$1,188	45	36.3%	N/A	N/A
Financial Activities	75	294	$987	75	306	$989	74	327	$1,060	70	346	$1,102	52	17.7%	$115	11.7%
Professional & Business Services	159	2,404	$1,826	158	2,276	$1,727	149	2,410	$1,604	145	2,566	$1,485	162	6.7%	($342)	-18.7%
Education & Health Services	95	3,619	$842	101	3,510	$892	104	3,662	$903	100	3,673	$947	54	1.5%	$105	12.5%
Leisure & Hospitality	101	2,960	$402	100	3,102	$397	102	3,061	$410	97	3,083	$445	123	4.2%	$43	10.7%
Other Services	93	500	$574	97	542	$608	93	436	$510	92	458	$521	-42	-8.4%	($53)	-9.2%
Public Administration	20	1,061	$1,015	18	1,065	$1,023	13	1,093	$1,067	13	1,108	$1,133	47	4.4%	$118	11.6%
Scott County																
Total, All Industries	2,978	41,714	$833	3,004	42,517	$834	2,980	43,304	$866	2,888	45,144	$909	3,430	8.2%	$76	9.1%
Natural Resources & Mining	N/A	N/A	N/A	31	178	$864	33	187	$947	31	172	$973	N/A	N/A	N/A	N/A
Construction	455	2,798	$1,107	459	2,988	$1,103	459	3,280	$1,191	434	3,641	$1,246	843	30.1%	$139	12.6%
Manufacturing	175	4,775	$1,166	176	4,819	$1,199	176	5,013	$1,263	172	5,789	$1,376	1,014	21.2%	$210	18.0%
Trade, Transportation, Utilities	612	7,555	$724	615	7,771	$724	608	8,233	$746	594	8,585	$779	1,030	13.6%	$55	7.6%
Information	N/A	N/A	N/A	36	312	$981	36	336	$984	35	367	$1,003	N/A	N/A	N/A	N/A
Financial Activities	257	952	$942	260	1,001	$1,015	248	1,002	$1,028	243	969	$1,041	17	1.8%	$99	10.5%
Professional & Business Services	555	4,018	$1,425	543	3,901	$1,344	527	4,041	$1,289	511	4,103	$1,238	85	2.1%	($187)	-13.1%
Education & Health Services	275	7,905	$779	282	7,829	$807	279	8,029	$829	262	8,149	$859	244	3.1%	$80	10.3%
Leisure & Hospitality	272	9,346	$480	272	9,601	$481	272	9,045	$499	269	9,102	$526	-244	-2.6%	$46	9.6%
Other Services	268	1,587	$532	295	1,738	$540	312	1,729	$530	307	1,813	$543	226	14.2%	$11	2.1%
Public Administration	42	2,336	$891	37	2,376	$909	32	2,408	$944	32	2,454	$995	118	5.1%	$104	11.7%
Seven County Metro Area																
Total, All Industries	78,994	1,590,978	$1,076	78,627	1,620,612	$1,087	78,001	1,642,567	$1,119	76,247	1,671,595	$1,159	80,617	5.1%	$83	7.7%
Natural Resources & Mining	294	3,664	$812	297	3,688	$803	305	3,477	$830	297	3,436	$873	-228	-6.2%	$61	7.5%
Construction	6,504	53,247	$1,179	6,396	57,496	$1,216	6,410	61,642	$1,260	6,184	66,571	$1,304	13,324	25.0%	$125	10.6%
Manufacturing	4,142	162,267	$1,328	4,081	162,814	$1,339	4,070	165,283	$1,377	4,009	168,356	$1,423	6,089	3.8%	$95	7.2%
Trade, Transportation, Utilities	16,223	299,961	$907	16,126	303,074	$930	15,868	307,781	$960	15,394	312,242	$982	12,281	4.1%	$75	8.3%
Information	N/A	N/A	N/A	1,410	40,639	$1,393	1,381	39,777	$1,445	1,323	38,656	$1,507	N/A	N/A	N/A	N/A
Financial Activities	8,915	135,835	$1,746	8,814	136,971	$1,728	8,419	132,668	$1,804	8,237	136,479	$1,888	644	0.5%	$142	8.1%
Professional & Business Services	15,628	266,545	$1,418	15,340	269,885	$1,451	15,110	274,191	$1,499	14,732	275,989	$1,558	9,444	3.5%	$140	9.9%
Education & Health Services	9,656	354,048	$910	9,900	366,191	$910	9,828	371,969	$930	9,755	380,314	$958	26,266	7.4%	$48	5.3%
Leisure & Hospitality	7,024	155,094	$409	6,977	159,264	$413	7,057	162,151	$423	7,000	164,836	$449	9,742	6.3%	$40	9.8%
Other Services	7,932	54,101	$600	8,296	54,104	$616	8,697	55,462	$636	8,460	55,878	$660	1,777	3.3%	$60	10.0%
Public Administration	1,218	65,591	$1,055	992	66,483	$1,074	857	68,166	$1,103	858	68,836	$1,151	3,245	4.9%	$96	9.1%

*Seven County Metro Area: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington Counties

Note: Due to non-disclosure policies of MNDEED, a firm may be omitted from a given sectors calculations.

Sources: Minnesota Department of Employment and Economic Development; Maxfield Research and Consulting, LLC

TABLE E-6
MAJOR EMPLOYERS
SCOTT COUNTY
2016

Employer	Products/Services	Estimated Employees
Shakopee		
Goodwill Industries	Vocational Rehabilitation Services	2,242
Valleyfair Amusement Park**	Amusement Park & Arcades	1,670
Shakopee Public Schools	Elementary & Secondary Schools	1,303
Te Connectivity Networks Inc.	Telephone Appartaus Manufacture	1,300
Cyberpower Systems Inc.	Electrical Component Manufacture	1,160
Shutterfly	On-line photo sharing and data storage	1,145
Scott County	County Government	950
Minnesota River Landing-Heritage Pk.	Recreation and Theme Parks	881
St. Francis Regional Medical Ctr.	General Medical & Surgical Hospitals	840
Entrust Data Card Corporation	Other Commercial and Service Businesses	800
Canterbury Park Concessions	Restaurants	657
Imagine Print Solutions	Commercial Printing	600
Vertis Communications	Advertising Agencies	300
Anchor Glass Corporation	Glass Manufacture	287
Certainteed	Asphalt Shingle and Coating Manufacture	275
Sam's West Inc.	Warehouse and General Merchandise Distribution	261
Cox Automotive, Inc.	Auto Auction	250
Seagate Technology	Computer Device	240
Gresser Companies	Poured Concrete Foundations	240
Cub Foods	Grocers	200
Target Stores	General Merchandise Retailers	200
Schreiber Foods	Cheese Manufacturing	196
Northwest Asphalt	Asphalt Manufacture	175
J & E Manufacturing	Sheet Metal Work Manufacturing	158
Home Depot	Household Building Materials and Supplies	150
Lowe's Home Stores	Household Building Materials and Supplies	150
Auto Auction	Auto Auction Dealers	150
Wal-Mart	General Merchandise Retailers	150
13 LLC	Hardware Stores	146
Danny's Construction Co.	Stuctural Steel and Precast	144
Polaris Distribution Center	Warehouse Distribution	140
Sowles Co.	Other Foundation Structures	140
Nifi Industries	General Freight Trucking	135
Canterbury Park Industries	Amusement and Recreation	133
Kohl's Department Stores	General Merchandise Stores	125
Arteka Inc.	Landscaping Services	120
Johnson/Anderson Associates Inc.	Stationery Printing	120
International Paper Company	Corrugated and Solid Fiber Box	115
Papa Murphy's Pizza (PJC)	Restaurants	106
Iceberg Technology Group	Custom Computer Services	100
Shakopee Friendship Manor	Nursing Facilities	100
Open System's Inc.	Software Publishers	100
Synera Solutions	Janitorial Services	100
Subtotal		**18,754**

TABLE E-6
MAJOR EMPLOYERS
SCOTT COUNTY
2016
(continued)

Employer	Products/Services	Estimated Employees
Savage		
Fabcon Precast, Inc.	Cement & Concrete Product Manufacturing	750
HyVee Grocery	Grocers	700
Independent School District #191	Elementary & Secondary Schools	451
Continental Machines Inc.	Other General Purpose Machinery Manufacturing	249
Silgan Container Corp.	Metal Can Manufacturing	180
Target Stores	General Merchandise Stores	200
Eflow Inc.	Mobile Food Services	150
Lifetime Fitness	Fitness Centers	130
Associated Partnership Ltd.	Automotive Body Paint	120
Continental Hydraulic Inc.	Fluid Power Pumps	106
B.F. Nelson Co.	Corrugated Box Mfg.	100
Soo-Line	Railroads	100
STS Operating Inc.	Industrial Machinery and Equipment	100
City of Savage	City Government	131
Road Machinery and Supplies	Construction and Mining	80
Master Electric Co.	Electrical Contractors and Others	75
Master Technology Group	Electrical Contractors and Others	73
McDonalds	Restaurants	65
Pomp's Tire Service	Tire Dealers	60
Turner Excavating Company	Site Preparation Contractors	60
Comcast	Cable Communications Providers	57
St. John the Baptist School	Religious Organizations	55
Beckhoff Automation	Computer and Computer Peripherals	52
Burnsville Heating and Air Conditioning	Plumbing, Heating and Air Conditioning	50
Lloyd's Construction Services	Site Preparation Contractors	50
Roasted Pear	Full Service Restaurants	50
Subtotal		**4,194**
Prior Lake		
SMSC Gaming Enterprises	Gaming Establishment	5,008
Prior Lake School District #719	Elementary & Secondary Schools	772
YMCA	Youth Center	500
Little Six Casino	Gaming Establishment	400
Wild Golf Club	Golf Courses and Clubs	150
Indian Health Services	Public Health Services Administration	122
SMSC Gaming Enterprises	Other Family Services	75
Phillips and Temro Industries	Motor Vehicle Metal Stamping	65
Perkins Restaurant and Bakery	Restaurants	62
Culver's Restaurant	Restaurants	60
Husson's Concessions	Restaurants	60
Insurance Paramedical Services	Insurance Agencies and Brokers	60
Miratech Prior Lake	Air and Gas Compressor Manufacture	59
Tentroy Inc.	Site Preparation Contractors	58
Jen Wocelka	Real Estate Agents	50
MN Credit Card Processing, Inc.	Greeting Cards	50
Norex Inc.	Computer Processing Services	50
Taylor Made Construction of MN	Finish and trim carpentry	50
Subtotal		**7,651**

TABLE E-6
MAJOR EMPLOYERS
SCOTT COUNTY
2016
(continued)

Employer	Products/Services	Estimated Employees
New Prague		
New Prague ISD 721	Elementary & Secondary Schools	626
Chart Industries	Liquified Natural Gas and Industrial Gas Systems	500
Mayo Clinic Health Systems	General Hospital and Medical Clinic	203
Mala Strana Health Care Center	Nursing Care Facilities	150
Coborn's Superstore	Grocer	86
Scott Equipment	Machinery, Equipment, & Supplies Merchant Wholesalers	80
Electromed, Inc.	Electromedical Equipment	60
Mala Strana Assisted Living	Assisted Living Facilities	67
State Bank of New Prague	State Banks	65
Great River Energy	Electrical Power Generation	58
New Prague Ford Chrysler Dodge	Automobile Dealers	55
City of New Prague	City Government	50
Shopko Hometown	General Merchandise	42
Fishtale Bar and Grill	Restaurants	35
McDonald's	Restaurants	42
St. Wenceslaus School	Religious Organizations	45
Quality Flow Systems	Municipal and Industrial Wastewater Treatment Systems	36
International Quality Home Care Corp.	Home Care Services	33
New Prague Medical Clinic	Health Care Services	30
Miller Milling	Grain Milling	30
Creeks Bend Golf Course	Golf Courses	30
South Suburban Oral Surgeons	Oral Dentistry	30
New Prague Inn and Suites	Hotels and Motels	29
Z Wireless	Electronics Stores	26
Busch Bros Machinery	Machine Shop Jobbing and Repair	25
KA WITT Construction	Residential Home Builders	25
New Prague Times	Newspaper Publication	25
Fitness Center	Workout Gyms	24
Walgreen Co.	Drugstores and Pharmacies	22
Wells Fargo Bank	Banking Services	22
Superamerica (2)	Gas and Convenience Food Items	29
Kimmy Clean Janitorial	Janitorial Services	20
Holiday Gas Station	Gas and Convenience Food Items	20
Subtotal		**2,620**
Belle Plaine		
Emma Krumbee's General Store	Apple Orchard, Store and Restaurant	200
Cambria	Manufacture of Quartz Countertops and Assessories	200
Lutheran Home of Belle Plaine	Nursing Care Facilities	143
Belle Plaine Public Schools-ISD #716	Elementary & Secondary Schools	108
Coborn's Superstore	Grocery Store	100
City of Belle Plaine	City Offices	76
Kingsway Retirement Living	Retirement Communities & Homes	50
Kingsway Ministries LLC	Religious Organizations	50
McDonald's	Restaurant	43
Subway	Restaurant	43
Bell Pharmaceutical	Pharmaceutical Preparation	40
Dairy Queen	Restaurant	26
Stier Bus Co	Transportation Services	25
Belle Plaine Cooperative	Farm Supplies	25
State Bank of Belle Plaine	Depository Credit Intermediation	25
Subtotal		**1,154**

TABLE E-6
MAJOR EMPLOYERS
SCOTT COUNTY
2016
(continued)

Employer	Products/Services	Estimated Employees
Jordan		
Jordan Public Schools District 717	Elementary & Secondary Schools	240
Minnesota River Valley Special Ed. Coop.	Specialty Education	150
S.M. Hentges and Sons	Excavation and Concrete Contractor	150
Minger Construction	Contractors	80
City of Jordan	City Government	77
Oak Terrace	Senior Housing Facilities	75
Engel Diversified Industries	Metal Stampings	70
Jordan Transformer LLC	Feeder Voltage Boosters	67
Wolf Motor Co.	Automobile Dealers	54
Rademacher's Foods	Grocery Stores	50
McDonald's	Restaurants	40
Benjamin Bus	Transportation Services	40
Elite Waste	Refuse Removal and Processing	33
Dynotech	Wholesale Distribution of Transmissions	26
Clancy's Bar and Pizza Restaurant	Restaurants	25
Siwek Lumber and Milling	Lumber Supplies	25
Subtotal		**1,202**
Elko New Market		
New Prague Public Schools	Elementary & Secondary Schools	76
Friedges Drywall	Drywall and Insulation Contractor	50
Ryan Contracting Co.	Construction Contractor	40
Domino's Pizza	Pizza Restaurant	17
Elko Speedway	Construction Contractor	17
Subtotal		**200**
Scott County Total		**35,075**

Note: Valleyfair Amusement Park has approximately 1,600 seasonal employees.
Sources: Dun and Bradstreet; ReferenceUSA; ESRI; Maxfield Research and Consulting, LLC

TABLE E-7
PUBLICLY ANNOUNCED EMPLOYER EXPANSIONS
SCOTT COUNTY
2012 TO 2016

Employer	Year	New Investment	New Square Feet	New Employees
The Dough Shop	2016	$1.95M	30,356	30
MyPillow	2016		125,000	500
Amerisource Bergen	2015		215,000	
HyVee	2015		98,141	
Polaris	2015		850,000	120-140
Amazon.com	2015	$55M	820,000	1,000
Rahr Corporation	2015	$68M	111,500	28
Emerson	2014	$70	500,000	500
Badger Hill Brewing	2014		13,000	9
TE Connectivity	2014		175,000	350-375
Bayer CropScience	2014	$15M	135,000	
Canterbury Park Holding Corp	2014	$2.5M	30,000	
Imagine Print Solutions	2013			200
Shutterfly	2013	$60M	217,000	327
Certainteed Corporation	2013	$20M		
Chart Industries Inc	2012	$23M	111,525	80
Southern Wine & Spirits	2012		232,000	
Sanmar Corporation	2012	$35M	580,000	150
Imagine Print Solutions	2012	$10M	300,000	

Sources: MN DEED; Finance and Commerce, Maxfield Research and Consulting, LLC

Market Analysis

Introduction

This section of the report presents and analyzes information relating to the condition of the commercial and industrial real estate markets and the potential for development in Scott County. Information presented includes an overview of current market conditions in Scott County and the Metro Area, available space summaries, and business growth trends in Scott County. The potential for new commercial/industrial development in Scott County is greatly influenced by overall market conditions. Included in this section is an analysis of:

- Commercial/Industrial Building Permit Trends
- Types of Retail Goods and Customer Shopping Patterns
- Twin Cities Retail Market Conditions
- Supply of Available Retail Space in Scott County
- Retail Sale Trends
- Twin Cities Office Market Conditions
- Supply of Available Office Space in Scott County
- Business Growth Trends in the Office-Using Industry Sectors
- Twin Cities Industrial Market Conditions
- Supply of Available Industrial Space in Scott County
- Business Growth Trends in the Industrial-Using Industry Sectors
- Land Absorption
- Pending Commercial/Industrial Developments

Detailed tables are provided at the end of each subsection.

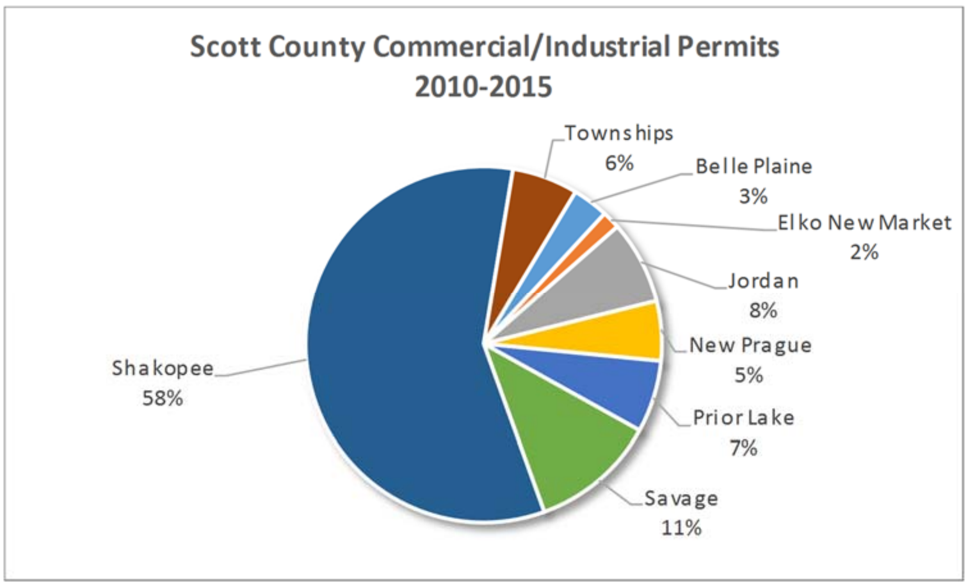
Commercial/Industrial Building Permit Trends

Table MA-1 presents information on commercial, industrial, and public building permits issued in Scott County from 2010 through 2015. Data was obtained from the Metropolitan Council which collects data from communities in the seven-county Metro Area via an annual survey. Permit data includes new buildings and additions to buildings if the permit valuation is $100,000 or more. The value represents the estimated cost of construction as reported on the building permit.

- A total of 148 new commercial/industrial building permits were issued in Scott County between 2010 and 2015, totaling an estimated $560 million in value.

- There are approximately 31 commercial/industrial permits issued in Scott County annually for new construction, predominantly in Shakopee (average of 18 permits annually).

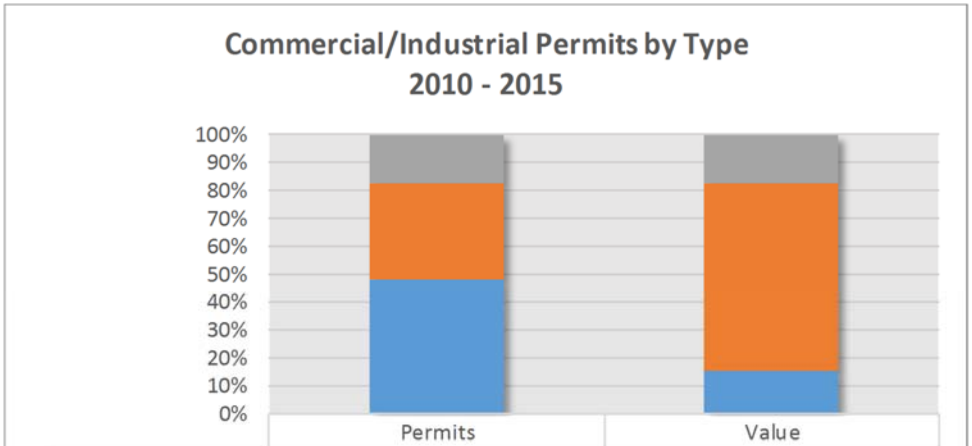
- As shown in the following graph, Shakopee was the most active community with 107 permits issued between 2010 and 2015 (58% of all Scott County commercial/industrial permits), followed by Savage with 21 permits (11%).



- However, over 77% of the new construction value occurred in Shakopee ($431.9 million in permit value) between 2010 and 2015, followed by Savage ($44.5 million) and Jordan ($43.4 million).

- On average, new commercial/industrial projects have a construction value of $3.0 million per project. Average permit values were highest in Shakopee ($4.0 million), Jordan ($3.1 million), and Savage ($2.1 million).

- As depicted in the following chart, nearly half of the commercial/industrial permits were issued for commercial projects (office/retail), while 34% were for industrial projects and the remaining 17% were public or institutional. However, industrial projects had the highest construction values.



	Permits	Value
Public/Institutional	32	$96,291,565
Industrial	63	$376,043,603
Commercial	89	$87,263,658

- The following graph depicts the average construction value per permit for the various commercial/industrial subcategories. As shown, industrial projects had the highest value at an average of nearly $6.2 million per permit, followed by schools ($5.4 million per permit), office and warehouse projects ($4.5 million per permit), and hospitals/nursing homes ($3.1 million per permit).

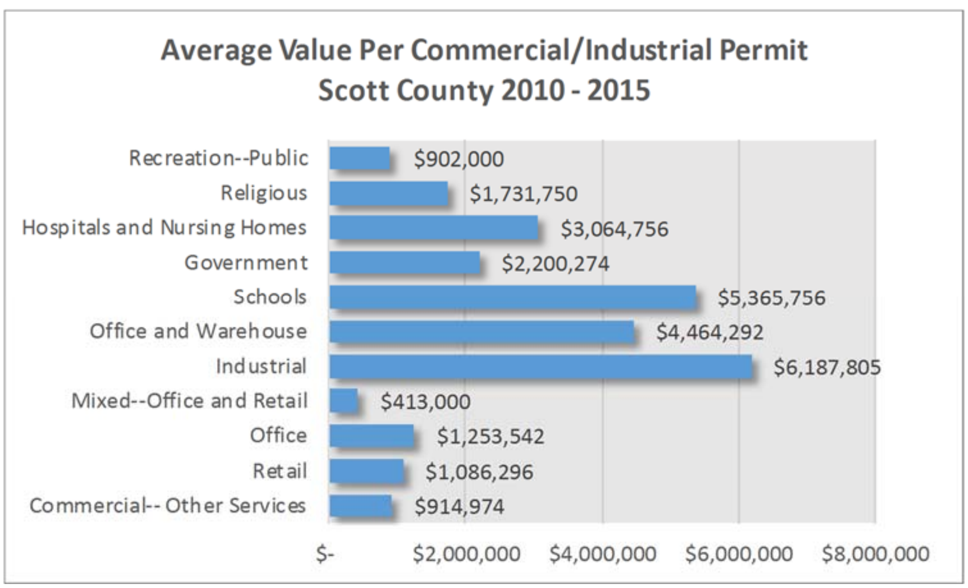


TABLE MA-1
ESTIMATED COMMERCIAL/INDUSTRIAL BUILDING PERMIT TRENDS
NEW CONSTRUCTION
2010-2015

	2010		2011		2012		2013		2014		2015		Annual Avg. 2010-2015
	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value	Permits
Cities													
Belle Plaine	1	$2,475,000	2	$1,000,000	2	$1,650,000	0	$0	0	$0	1	$2,134,330	1.0
Elko New Market	0	$0	0	$0	0	$0	0	$0	3	$4,711,062	0	$0	0.5
Jordan	1	$800,000	1	$380,000	3	$7,419,000	1	$227,000	2	$2,066,841	6	$32,531,364	2.3
New Prague	1	$150,000	5	$1,826,552	2	$8,243,145	1	$462,264	0	$0	1	$201,388	1.7
Prior Lake	6	$1,536,000	0	$0	1	$1,081,000	2	$910,000	0	$0	3	$3,620,000	2.0
Savage	2	$4,587,000	1	$1,200,000	6	$20,747,505	3	$6,502,444	6	$8,771,000	3	$2,660,000	3.5
Shakopee	16	$29,355,053	11	$9,568,600	11	$31,633,976	29	$57,100,738	24	$58,619,509	16	$245,652,907	17.8
Townships													
Cedar Lake Twp	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0.0
Credit River Twp	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0.0
New Market Twp	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0.0
Spring Lake Twp	0	$0	0	$0	1	$5,400,000	0	$0	0	$0	2	$398,144	0.5
Belle Plaine Twp	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0.0
Blakely Twp	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0.0
Helena Twp	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0.0
Jackson Twp	0	$0	0	$0	1	$250,000	0	$0	0	$0	0	$0	0.2
Louisville Twp	0	$0	1	$100,000	3	$1,528,172	0	$0	0	$0	2	$1,138,770	1.0
Sand Creek Twp	0	$0	0	$0	1	$505,062	0	$0	0	$0	0	$0	0.2
St. Lawrence Twp	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0.0
Totals													
Cities	27	$38,903,053	20	$13,975,152	25	$70,774,626	36	$65,202,446	35	$74,168,412	30	$286,799,989	**28.8**
Townships	0	$0	1	$100,000	6	$7,683,234	0	$0	0	$0	4	$1,536,914	**1.8**
Scott County	27	$38,903,053	21	$14,075,152	31	$78,457,860	36	$65,202,446	35	$74,168,412	34	$288,336,903	**30.7**

Sources: Metropolitan Council; Cities of Belle Plaine, Elko, Jordan, New Market, New Prague, Prior Lake, Savage, Shakopee; (listed) Townships; Scott County GIS Department; Maxfield Research & Consulting, LLC

Retail Market Analysis

This section of the report analyzes the retail market in the Market Area. Included in the analysis are a review of retail market conditions in the Twin Cities and Scott County, a summary of space currently available in the County, and retail sales trends.

Types of Retail Goods and Customer Shopping Patterns

The following describes the various types of retail goods and the manner in which customers generally shop for these goods. Because of the significant diversification of retail outlets, some of these categories overlap in certain cases.

Shopping goods are those on which shoppers spend the most effort and for which they have the greatest desire to comparison shop. The trade area for shopping goods tends to be governed by the urge among shoppers to compare goods based on selection, service and price. Therefore, the size of the trade area for shopping goods is affected most by the overall availability of goods in alternate locations. Some examples of shopping goods include furniture, appliances, clothing and automobiles.

Convenience goods are those that consumers need immediately and frequently and are therefore purchased where it is most convenient for shoppers. Shoppers as a rule find it most convenient to buy such goods near home, near work or near a temporary residence when traveling. Examples of these types of goods include gasoline, fast food, liquor, groceries, pharmaceuticals, health and beauty aids, among others.

Specialty goods are those on which shoppers expend more effort to purchase. Such merchandise has no clear trade area because customers will go out of their way to find specialty items wherever they are sold. By definition, comparison shopping for specialty goods is much less significant than for shopping goods. Examples of these include gift shops, florists, pet stores, art gallery, antiques, textiles (needlework and fabrics), art supplies and books.

*Impulse good*s are those that shoppers do not actively or consciously seek. In stores, impulse goods are positioned near entrances or exits or in carefully considered relationships to shopping goods. Examples of these types of goods are: candy and drinks at a dry cleaning establishment, candy or small novelty items near the cash register at a gift shop, accessories or jewelry at the counter in a clothing store. These may be located within existing stores, but would not be a separate establishment.

Retail properties can generally be classified into five major categories, as described below.

Community Center: Community Centers are greater than 100,000 square feet and have at least two anchor tenants which may include a general merchandise store in addition to a supermarket or drug store. Limited small shop space is occupied by a mix of service-oriented tenants and soft-goods retailers. This classification also includes power centers which are built around large format category killers such as electronic, home improvement and sporting goods stores.

Neighborhood Center: Neighborhood centers are usually anchored by a grocery store or a drug store. This type of center fulfills the day-to-day needs of the surrounding neighborhood, is located at major street intersections, and is roughly 30,000 to 100,000 square feet in size.

Regional Center: A regional center is a major shopping area generally with two or more anchor department stores and a variety of additional shops. These centers draw customers from a broad geographical area.

Specialty Center: Specialty centers are unanchored and have a theme or specialty tenants with a different character than the other center types. These centers are not located in Central Business Districts (CBD) and they may be a part of a larger, community center development.

Central Business District: Centers located in the Central Business District of Minneapolis and St. Paul. This includes space located on the skyway or street fronts. To properly reflect the status of these submarkets, some of these centers may be smaller than 20,000 square feet due to the smaller size and scope of this market.

Outlet Mall: Outlet malls are located along major freeways within a 100-mile radius of the Twin Cities in the outer suburbs or Outstate Minnesota. Tenants are typically large retailers or manufacturers that use these locations to sell directly to consumers. Outlet malls have traditionally been designed to appeal to the value-conscious shopper who wants brand-name merchandise at off-retail prices. Most outlet malls today have suppliers that have created separate merchandise lines just for outlet mall spaces.

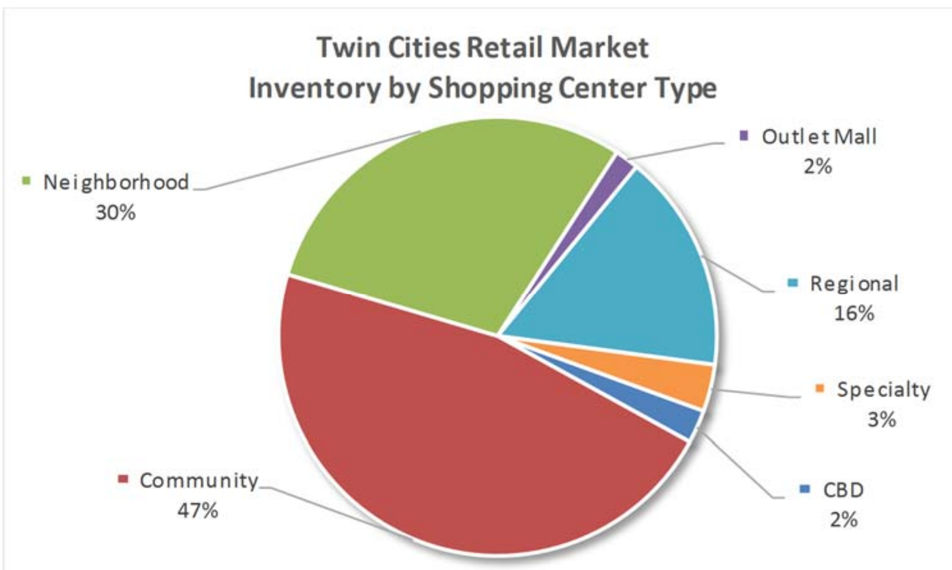
Visibility and access are primary issues for retailers seeking a location. Several factors are taken into consideration based on traffic counts and visibility when retailers select a site, including: daily traffic volumes in the area; proximity to public transportation; accessibility for potential customers as well as delivery vehicles; visibility of the store and business signage from the surrounding road network; and, the sites’ proximities to other traffic generators.

Neighborhood centers generally draw customers from a distance of one and one-half to three miles, while community centers draw from a larger area (i.e. three to six miles). Regional Malls draw from a five- to 15-mile radius, while Super-Regional Malls have a trade area up to 25 miles in size or more. Specialized-purpose centers, such as Outlet Malls, have larger trade areas in the 25- to 75-mile range. Convenience/strip centers generally have trade areas of less than one mile.

Twin Cities Retail Market Conditions

Maxfield Research and Consulting, LLC analyzed retail market trends for the Twin Cities Metro Area, including total rentable area, vacancy rates, and absorption. The data is provided by Cushman & Wakefield| NorthMarq and includes multi-tenant retail buildings greater than 20,000 square feet in size. This information is useful in assessing the potential to develop retail uses in Scott County as the overall health of the local retail market will influence the development potential in the County. The data is presented in Table MA-2.

- Cushman & Wakefield|NorthMarq is tracking 490 retail properties in the Twin Cities Metro Area, comprising 67.9 million square feet of space. As depicted in the following graph, community center space comprises the greatest proportion of retail space in the Metro Area with 31.6 million square feet (47% of the total) in 124 properties.

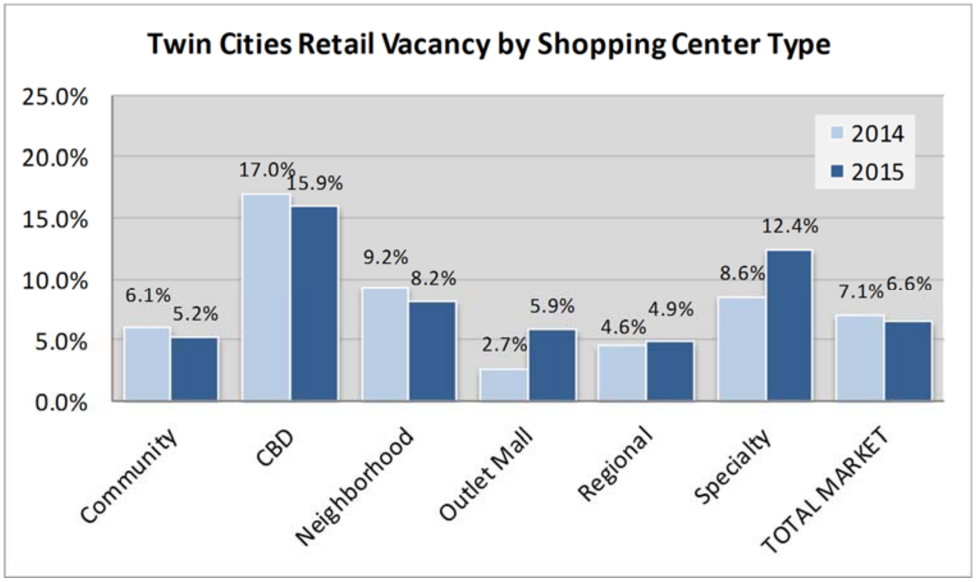


- Neighborhood centers represent 30% of the Twin Cities retail inventory (20.1 million square feet in 307 properties), while roughly 16% of the retail space is situated in regional shopping centers (11.0 million square feet in eight properties). Specialty centers (2.3 million square feet), Central Business District (1.7 million square feet), and outlet malls (1.2 million square feet) each represent roughly 2% to 3% of the supply of retail space in the Twin Cities.

- At year-end 2015, there were 4.5 million square feet of vacant retail space in the Twin Cities, representing a vacancy rate of 6.6%, down from 7.1% in 2014 and the lowest vacancy since 2006.

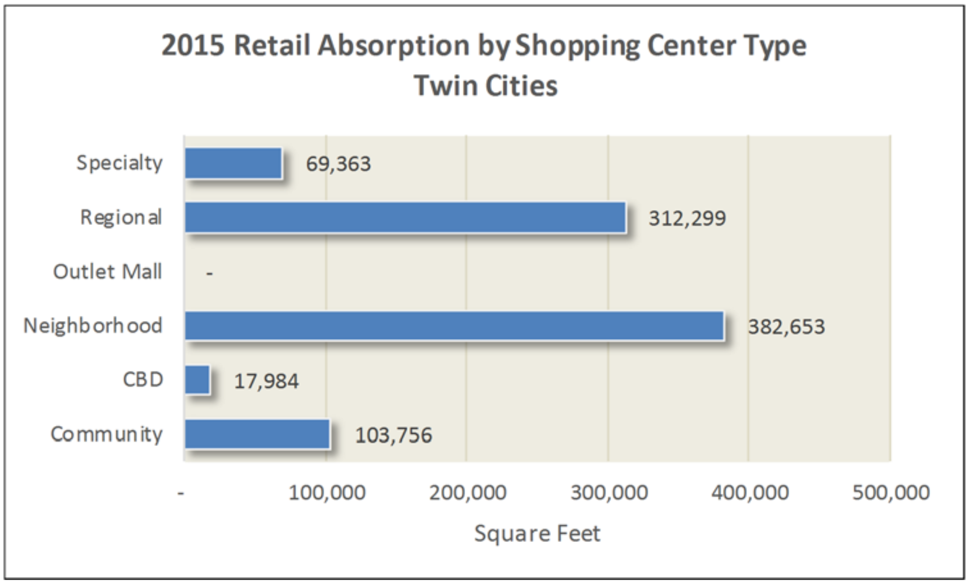
- Of the space tracked by Cushman & Wakefield|NorthMarq, roughly 2.2 million square feet is located in Scott County (3.2% of the Metro Area total). Approximately 168,000 square feet was vacant at year-end 2015, representing a 7.6% vacancy rate – slightly higher than the Metro Area vacancy of 6.6%.

- In the Twin Cities, retail vacancy was highest in the Central Business Districts (15.9%), followed by specialty centers (12.4%). Neighborhood centers were 8.2% vacant and community centers had a 5.2% vacancy rate.



- In Scott County, roughly 17% of the tracked inventory (376,000 square feet) is in neighborhood centers, and the remaining 83% (1.8 million square feet) is community center space. Neighborhood centers had a 24.5% vacancy rate (92,340 square feet) at year-end 2015 while community centers were 4.1% vacant (75,724 square feet).

- Roughly 886,000 square feet were absorbed in 2015, with the strongest absorption occurring in order at neighborhood centers, regional centers, and community centers.



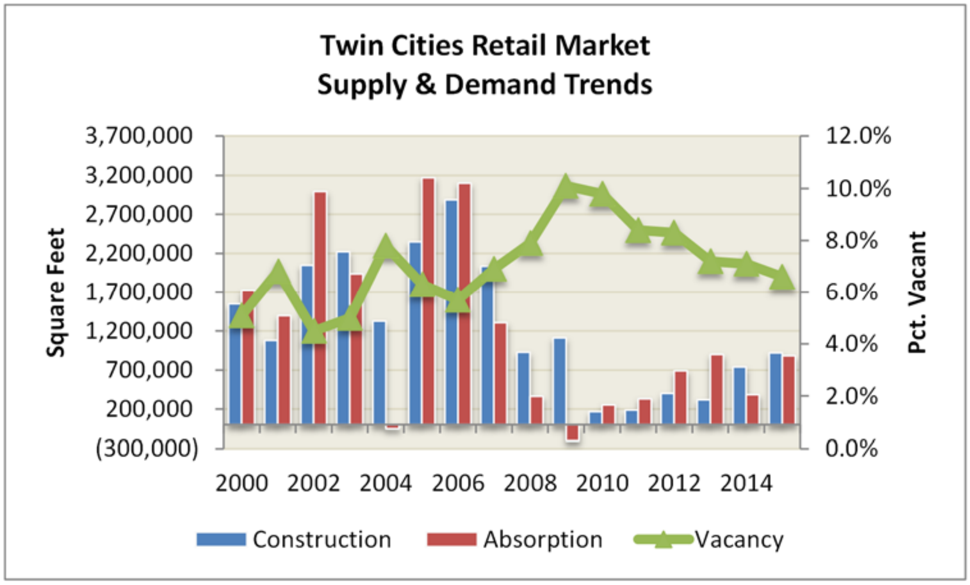
- Retail demand was highest in neighborhood centers, which experienced nearly 383,000 square feet of absorption during the year. In 2014, approximately 223,000 square feet of neighborhood center space was absorbed. Over the past 12 months, neighborhood centers experienced a -1.0% drop in vacancy to 8.2%, the lowest vacancy rate since 2006.

- Much of the neighborhood center leasing activity is occurring in small-shop space, predominantly driven by fast-casual food concepts, hair-care service providers, cellular retailers, and fitness centers. Additionally, grocery stores have been actively expanding or seeking neighborhood center space.

- Average rental rates in neighborhood centers increased roughly 1.1% over the year to $16.04 per square foot net. However, new centers in prime locations are obtaining rents in the $40 per square foot range, while centers in secondary locations generally have lease rates in the $20 per square foot range.

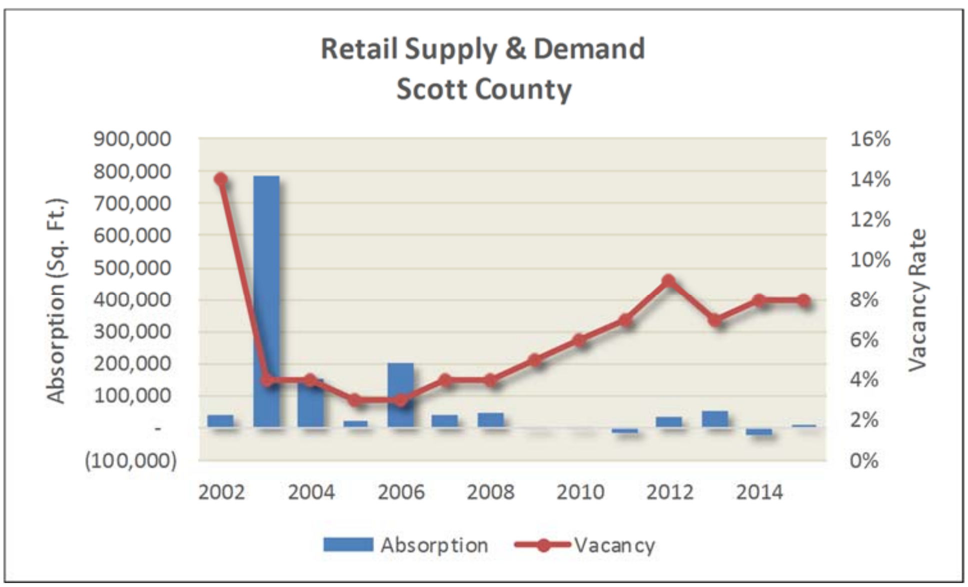
- Community centers experienced nearly 104,000 square feet of absorption during 2015, after -197,000 square feet of negative absorption occurred in 2014. Vacancy dropped from 6.1% at year-end 2014 to 5.2% in 2015. While value and discount retailers were active during the recession, much of the smaller junior-box community center retail space is now being filled by specialty retailers.

- As illustrated in the following graph, the Twin Cities Retail Market is improving from high vacancy rates during the Recession. Vacancy rates have been declining since 2009, while absorption and construction activity have increased modestly.



- Development activity is picking up in response to increased demand and tightening supply. Approximately 923,000 square feet of new space was delivered in 2015, and there is over 872,000 square feet of retail space under construction in the market.

- The following graph depicts retail supply and demand trends in Scott County since 2002, the earliest year data is available for the County from Cushman & Wakefield|NorthMarq.



- As depicted in the graph, retail demand was relatively strong in the County pre-recession between 2002 and 2008, averaging nearly 185,000 square feet of absorption per year. The retail demand was driven, in large part, by strong population and household growth in the County during the first half of the decade.

- Retailer demand dropped off sharply in response to the economic recession and housing bust. Since 2008, Scott County has absorbed an average of 8,500 square feet of retail space annually.

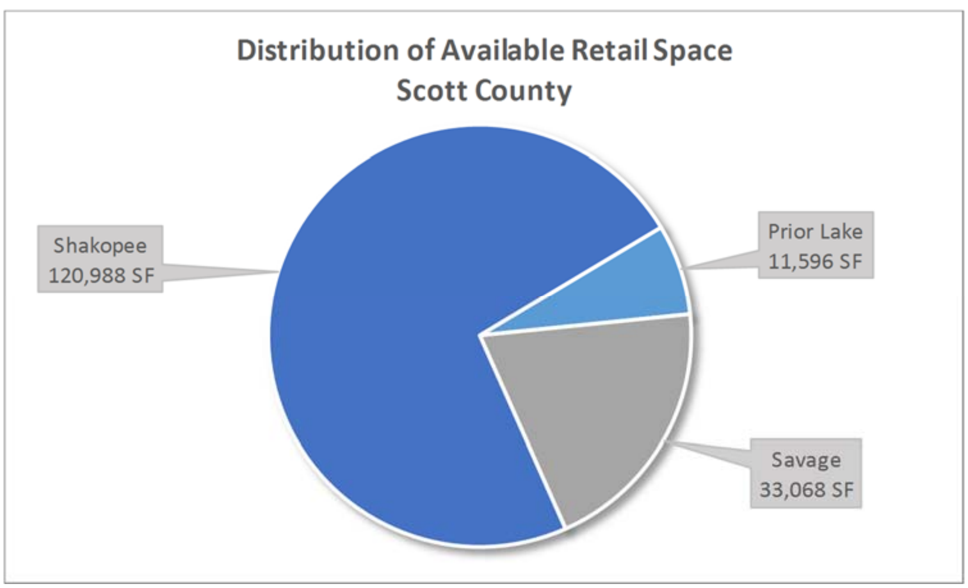
- Retail vacancy rates climbed steadily from 4% in 2008 to a high of 9% in 2012. Vacancy rates have since hovered in the 7% to 8% range, higher than the historical average vacancy of 6.1%.

Actively-Marketing Retail Properties in Scott County

Table MA-3 shows retail space listed as available for lease in Scott County on the Xceligent Commercial Property Exchange as of October 2016. The data is provided to show the types and amount of space listed as available on the Commercial Property Exchange at the time of our research along with pricing and shopping center type.

- Maxfield Research identified 22 properties with retail space currently listed for lease in the County. Combined, these properties contain an inventory of roughly 713,000 square feet with 165,652 square feet available for lease.

- As illustrated in the following graph, the available space is concentrated in Shakopee with 121,000 square feet of retail space available (73% of the total space available in Scott County). Savage contains 20% of the available space (33,100 square feet) and 7% is located in Prior Lake (11,600 square feet). There is no space currently listed as available for lease in Belle Plaine and Jordan.



- There are 14 convenience/strip centers with 74,200 square feet available for lease (45% of the supply of available space in the County) and 38% of the available space (62,300 square feet) is located in the Shakopee Town Square community center. Roughly 14% of the space (23,500 square feet) is situated in neighborhood centers, while the remaining space is classified as freestanding (2,300 square feet) or general (3,400 square feet).

- The average size of the available retail suites in Scott County is 5,836 square feet, with suite sizes ranging from as small as 175 square feet to approximately 27,000 square feet of contiguous space. Generally, the retail properties listed with space available for lease in Scott County are relatively small, averaging 32,405 square feet.

- The average net rent across Scott County is $14.27 per square foot (weighted by the amount of space available in each property), with quoted net rental rates ranging from a low of $8.00 per square foot for a suite at Shakopee Town Square to a high of $25.00 per square foot at a small shop space located at Southbridge Crossing in Shakopee.

- Commercial leases are generally net leases. In addition to the base rent for occupancy, net leases (also commonly referred to as triple-net or NNN leases) require that the lessee also pays maintenance and operating expenses such as taxes, insurance, utilities, and repairs. Tenants in these net lease retail properties pay approximately $7.97 per square foot on average for taxes and operating expenses along with the base rent for the space. Operating expenses average $3.57 per square foot and taxes average $4.39 per square foot.

- In addition to space available for lease, we identified six retail properties in Scott County marketed for sale to an owner/user. These six properties totaling approximately 73,600 square feet of space are being marketed at an average quoted price of $68.59 per square foot (psf).

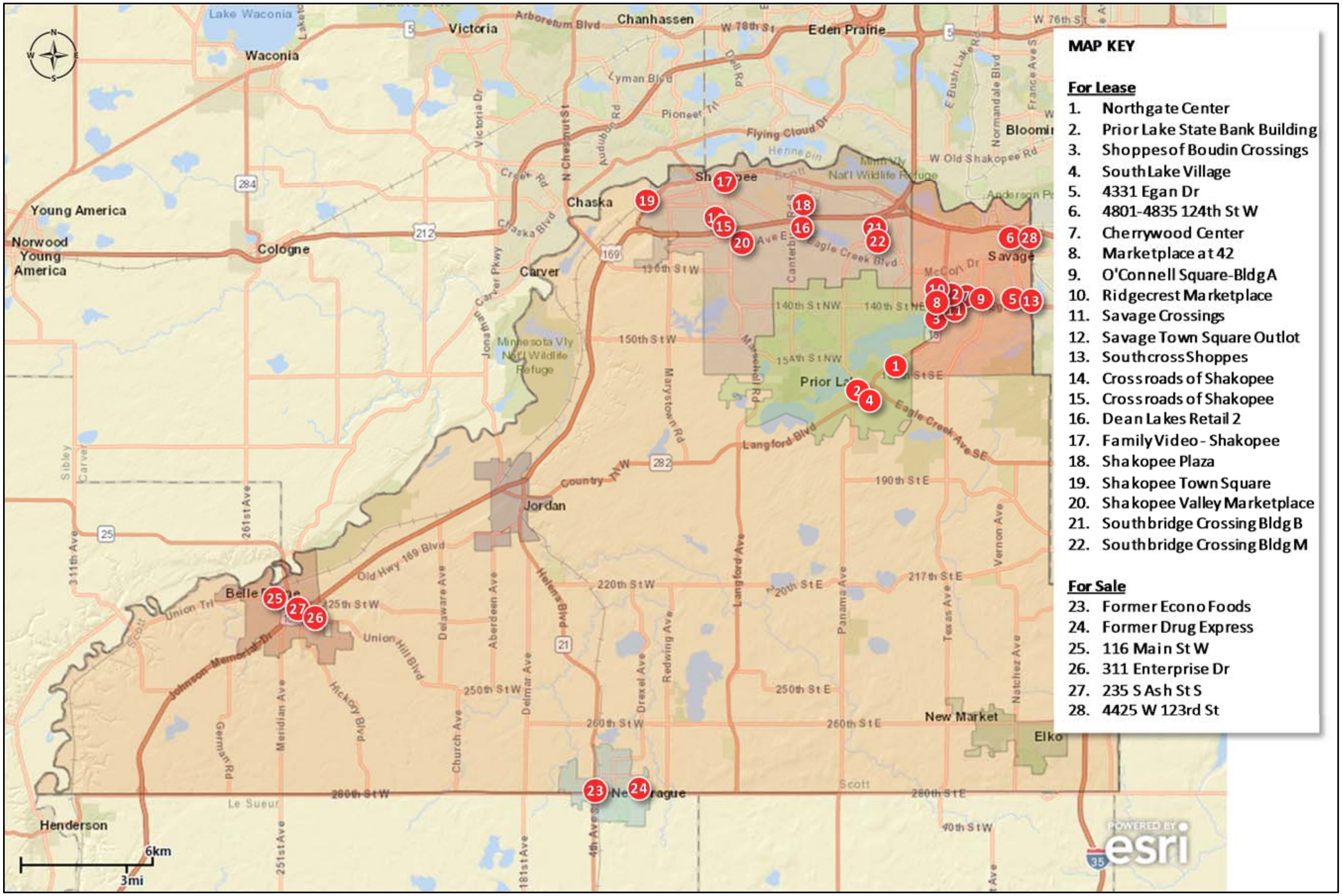
- Three of the for-sale retail properties are located in Belle Plaine, including:

    - 116 Main Street, a 6,191 square-foot building listed for $34 psf;
    - 311 Enterprise Drive, a 15,324 square-foot building listed for $85 psf; and,
    - 235 S Ash St, a 14,966 square-foot building listed for $80 psf.

- The former Econo Foods in New Prague (25,900 square feet) is for-sale for $23 psf, and there is also a 6,724 square-foot building in New Prague (former Drug Express) being offered for-sale at $74 psf.

- There is a 4,500 square-foot building at 4425 W 123rd Street in Savage listed for-sale at $115 psf.

Available Retail Space Map



Retail Sales Trends

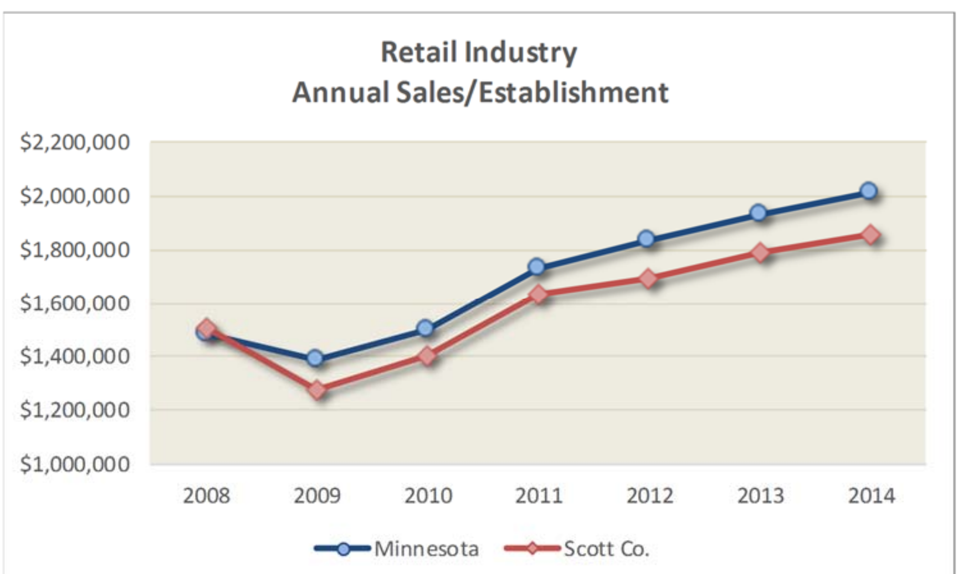
Tables MA-4 and MA-5 show gross sales and the number of business establishments in the Retail sector in Scott County compared to Minnesota for the years 2008 through 2014 (the most recent data available). The tables also display the average sales per establishment. This data is sourced from the Minnesota Department of Revenue, Tax Research Division and provides a snapshot of the state of the area's retail market over the selected time period. It should be noted that companies operating businesses at multiple locations in Minnesota can file one consolidated tax return and the sales numbers are reported for only that one location. Key findings are summarized below.

- After experiencing declining sales in 2009, the Minnesota Retail industry appears to be improving with increased sales every year since 2009. In Scott County, Retail sales declined from 2008 to 2009, but experienced solid growth from 2010 through 2013, averaging 5.7% growth per year. By comparison, Retail sales expanded at a 6.0% annual rate in Minnesota.

- The pace of growth slowed during 2014, climbing 2.7% in Scott County and 3.4% across Minnesota.

- The Retail industry plays a significant role in the Scott County economy, representing 34% of all sales during 2014. By comparison, the Retail industry represented 26% of all sales throughout Minnesota.

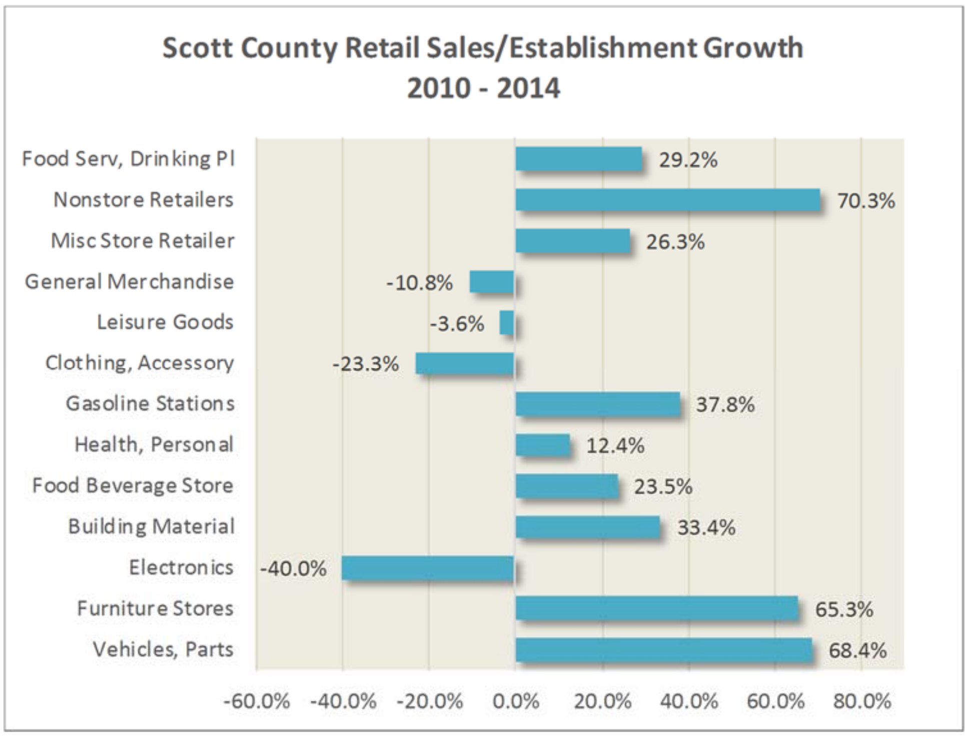
- As illustrated in the following chart, average sales per retail establishment climbed steadily between 2010 and 2014 after contracting sharply in 2009. Average sales were 46% higher in 2014 (nearly $1.9 million per establishment in Scott County) than in 2009. The pace of growth in Scott County has been similar to Minnesota, although average sales per establishment are roughly -8% lower in the County than the State average of $2.0 million.



- Table MA-5 displays detailed sales data by the various Retail Trade subsectors, including Food and Drinking Places in Scott County. During 2014, sales were highest at General Merchandise stores with nearly $303.6 million in sales in Scott County, followed by Vehicles and Parts ($296.9 million) and Gasoline Stations ($252.7 million).

- From 2010 to 2014, the total number of retailers in Scott County (including Food and Drinking Places) declined -6.6% from 1,084 in 2010 to 1,012 in 2014, while gross sales increased 22% and average sales per establishment jumped 31%.

- As depicted in the following chart, most sectors experienced growth in average sales per establishment; however, establishments in the General Merchandise, Leisure Goods, Clothing, and Electronics sectors experienced declining sales.



- On a gross sales basis, strongest growth in sales per establishment occurred in the following sectors; Gasoline Stations (+$1,925,278), Vehicles and Parts ($+1,674,530), Food and Beverage Stores (+$773,546), and Building Materials (+$572,629).

- Because average sales per retail establishment has increased steadily for five consecutive years, there appears to be growing consumer demand for retail goods and services in Scott County. Continued growth in consumer demand will stimulate demand for retail space in the County.

TABLE MA-2
RETAIL MARKET STATISTICS
TWIN CITIES
2014 - 2015

Shopping Center Type	# of Bldgs	Total Rentable SF	Total Vacant SF	Vacancy Rate	2015 Absorption	Avg. Net Rent
2015						
Community	124	31,597,239	1,650,496	5.2%	103,756	$18.92
Minneapolis CBD	16	1,297,703	253,044	19.5%	20,288	$24.14
Neighborhood	307	20,090,759	1,642,724	8.2%	382,653	$16.04
Outlet Mall	4	1,197,440	70,350	5.9%	0	$33.74
Regional	8	10,981,097	543,217	4.9%	312,299	$62.99
Specialty	22	2,342,341	291,248	12.4%	69,363	$31.89
St. Paul CBD	9	368,737	12,596	3.4%	-2,304	$16.42
Total Market	**490**	**67,875,316**	**4,463,675**	**6.6%**	**886,055**	**$27.48**

Shopping Center Type	# of Bldgs	Total Rentable SF	Total Vacant SF	Vacancy Rate	2014 Absorption	Avg. Net Rent
2014						
Community	124	31,837,110	1,939,534	6.1%	-197,393	$18.64
Minneapolis CBD	16	1,297,703	273,332	21.1%	23,574	$24.19
Neighborhood	308	19,867,442	1,835,823	9.2%	223,260	$15.87
Outlet Mall	4	1,197,440	32,350	2.7%	394,650	$33.74
Regional	8	10,618,300	483,719	4.6%	-145,590	$62.68
Specialty	20	2,165,941	185,757	8.6%	88,690	$32.45
St. Paul CBD	9	368,737	10,292	2.8%	0	$16.37
Total Market	**489**	**67,352,673**	**4,760,807**	**7.1%**	**387,191**	**$27.55**

Sources: Cushman & Wakefield | NorthMarq; Maxfield Research & Consulting, LLC

TABLE MA-3
RETAIL BUILDINGS AVAILABLE FOR LEASE
SCOTT COUNTY
October 2016

Building / Address	Year Built	Bldg Size / SF Available	Lease Rates/ Lease Type	Taxes/ SF	Op. Exp/ SF	Center Type
PRIOR LAKE						
Northgate Center 15875 Franklin Trl SE	1999	15,214 1,032	Negotiable	$3.05	$3.45	Convenience/Strip Center
Prior Lake State Bank Building 16677 Duluth Ave	1979	15,000 2,300	$17.00 - $17.00 Gross	--	--	Freestanding -- Bank
Shoppes of Boudin Crossings 6880 Boudin St	2009	57,603 1,236	$19.00 - $19.00 Net, Net, Net	$3.73	$3.73	Convenience/Strip Center
SouthLake Village 16731 Highway 13 S	1975	81,229 7,028	$16.00 - $18.00 Net, Net, Net	$3.70	$3.32	Neighborhood Center
SAVAGE						
4331 Egan Dr 4331 Egan Dr	1983	13,165 1,200	$9.00 - $13.00 Net	$3.99	$2.98	Convenience/Strip Center
4801-4835 124th St W 4801 124th St W	1959	15,500 3,401	$9.50 - $9.50 Modified Gross	$1.89	$0.75	General/Street Retail
Cherrywood Center 6001 Egan Dr	1997	18,783 3,268	$17.27 - $29.14 Gross	--	--	Convenience/Strip Center
Marketplace at 42 14020 Highway 13 S	1999	88,403 3,598	Negotiable	--	--	Neighborhood Center
O'Connell Square-Bldg A 5721 Egan Dr	2002	27,028 4,526	$10.00 - $20.00 Net, Net, Net	$5.83	$4.18	Neighborhood Center
Ridgecrest Marketplace 14000 Highway 13 S	2016	11,550 3,950	Negotiable	--	--	Convenience/Strip Center
Savage Crossings 7705 Egan Dr	2003	14,000 1,069	$22.00 - $22.00 Net, Net, Net	$8.18	$5.69	Convenience/Strip Center
Savage Town Square Outlot Building 14025 Highway 13 S	2004	7,373 1,207	Negotiable	$6.47	$5.51	Convenience/Strip Center
Southcross Shoppes 4022 Egan Dr	1989	35,089 10,849	Negotiable Net, Net, Net	$3.94	$3.20	Convenience/Strip Center
SHAKOPEE						
Crossroads of Shakopee 1140 Vierling Dr	1998	18,480 5,063	Negotiable Net, Net, Net	--	--	Convenience/Strip Center
Crossroads of Shakopee 1262 Vierling Dr	1998	40,246 5,877	Negotiable Net, Net, Net	--	--	Convenience/Strip Center
Dean Lakes Retail 2 4041 Dean Lakes Blvd	2005	7,826 3,985	Negotiable Net	$5.89	$6.30	Convenience/Strip Center
Family Video - Shakopee 1260 4th Ave E	1993	10,032 5,900	$15.00 - $15.00 Net, Net, Net	--	$3.89	Convenience/Strip Center
Shakopee Plaza 4300 12th Ave	2015	39,948 24,548	$14.50 - $14.50 Net	$0.80	$1.00	Convenience/Strip Center
Shakopee Town Square 1100 Shakopee Town Sq	1974	124,207 39,793	Negotiable Net, Net, Net	$1.23	$2.96	Community Center
Shakopee Town Square 1200 1100 Shakopee Town Sq	1974	124,207 22,475	$8.00 - $10.00 Net	$2.19	$2.00	Community Center
Shakopee Valley Marketplace 1731 17th Ave E	2000	13,248 5,039	Negotiable	$6.65	$3.10	Convenience/Strip Center
Southbridge Crossing Bldg B 8030 Old Carriage Ct	2003	13,511 2,943	$25.00 - $25.00 Net, Net	$7.62	$5.05	Neighborhood Center
Southbridge Crossing Bldg M 8051 Old Carriage Ct	2003	45,485 5,365	$18.00 - $20.00 Net, Net, Net	$5.15	$3.63	Neighborhood Center

Sources: Xceligent; Maxfield Research & Consulting, LLC

TABLE MA-4
RETAIL SALES GROWTH
SCOTT COUNTY
2008 - 2014

	Gross Retail Sales*	Establishments	Sales/Est.
Scott County			
2014	$1,485,959,111	798	$1,862,104
2013	$1,447,497,043	807	$1,793,677
2012	$1,375,802,269	811	$1,696,427
2011	$1,333,803,779	817	$1,632,563
2010	$1,228,189,077	874	$1,405,251
2009	$1,159,338,632	906	$1,279,623
2008	$1,338,486,776	889	$1,505,609
Minnesota			
2014	$89,612,059,488	44,387	$2,018,881
2013	$86,692,641,779	44,847	$1,933,076
2012	$82,174,379,475	44,769	$1,835,520
2011	$78,139,156,457	45,100	$1,732,576
2010	$72,059,887,183	47,992	$1,501,498
2009	$68,652,010,862	49,554	$1,385,398
2008	$73,638,873,420	49,684	$1,482,145

*Excludes Food Services and Drinking Places

Sources: MN Dept. of Revenue; Maxfield Research & Consulting, LLC

TABLE MA-5
RETAIL SALES TRENDS BY INDUSTRY SECTOR
SCOTT COUNTY
2010 - 2014

NAICS - Industry Sector	Gross Sales	Establishments	Sales/Est.
2014			
441 RETL -VEHICLES, PARTS	$296,865,436	72	$4,123,131
442 RETL -FURNITURE STORES	$33,740,552	29	$1,163,467
443 RETL -ELECTRONICS	$30,947,704	28	$1,105,275
444 RETL -BUILDING MATERIAL	$82,307,234	36	$2,286,312
445 RETL -FOOD BEVERAGE STORE	$240,060,317	59	$4,068,819
446 RETL -HEALTH, PERSONAL	$55,961,461	26	$2,152,364
447 RETL -GASOLINE STATIONS	$252,691,456	36	$7,019,207
448 RETL -CLOTHING, ACCESSORY	$23,986,923	49	$489,529
451 RETL -LEISURE GOODS	$27,397,710	67	$408,921
452 RETL -GENERAL MERCHANDISE	$303,580,530	14	$21,684,324
453 RETL -MISC STORE RETAILER	$30,275,950	219	$138,246
454 RETL -NONSTORE RETAILERS	$108,143,838	163	$663,459
722 FOOD SERV, DRNKING PLACES	$169,137,654	214	$790,363
2010			
441 RETL -VEHICLES, PARTS	$188,542,267	77	$2,448,601
442 RETL -FURNITURE STORES	$23,226,816	33	$703,843
443 RETL -ELECTRONICS	$51,613,386	28	$1,843,335
444 RETL -BUILDING MATERIAL	$71,974,676	42	$1,713,683
445 RETL -FOOD BEVERAGE STORE	$194,421,125	59	$3,295,273
446 RETL -HEALTH, PERSONAL	$53,639,121	28	$1,915,683
447 RETL -GASOLINE STATIONS	$224,132,892	44	$5,093,929
448 RETL -CLOTHING, ACCESSORY	$28,703,216	45	$637,849
451 RETL -LEISURE GOODS	$23,323,517	55	$424,064
452 RETL -GENERAL MERCHANDISE	$267,320,967	11	$24,301,906
453 RETL -MISC STORE RETAILER	$29,230,791	267	$109,479
454 RETL -NONSTORE RETAILERS	$72,060,303	185	$389,515
722 FOOD SERV, DRNKING PLACES	$128,475,818	210	$611,790
Percent Change (2010 - 2014)			
441 RETL -VEHICLES, PARTS	57.5%	-6.5%	68.4%
442 RETL -FURNITURE STORES	45.3%	-12.1%	65.3%
443 RETL -ELECTRONICS	-40.0%	0.0%	-40.0%
444 RETL -BUILDING MATERIAL	14.4%	-14.3%	33.4%
445 RETL -FOOD BEVERAGE STORE	23.5%	0.0%	23.5%
446 RETL -HEALTH, PERSONAL	4.3%	-7.1%	12.4%
447 RETL -GASOLINE STATIONS	12.7%	-18.2%	37.8%
448 RETL -CLOTHING, ACCESSORY	-16.4%	8.9%	-23.3%
451 RETL -LEISURE GOODS	17.5%	21.8%	-3.6%
452 RETL -GENERAL MERCHANDISE	13.6%	27.3%	-10.8%
453 RETL -MISC STORE RETAILER	3.6%	-18.0%	26.3%
454 RETL -NONSTORE RETAILERS	50.1%	-11.9%	70.3%
722 FOOD SERV, DRNKING PLACES	31.6%	1.9%	29.2%

Sources: MN Department of Revenue; Maxfield Research & Consulting, LLC

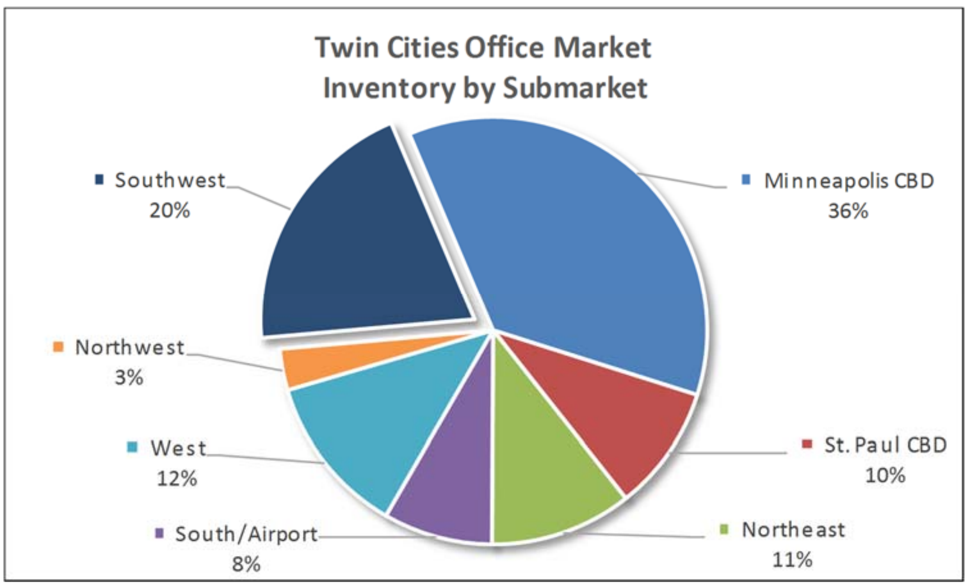
Office Market

This section of the report analyzes the office market in the Market Area. Components of this analysis include: a review of office market conditions in the Twin Cities, the Southwest submarket, and Scott County; a summary of office space currently available in the County; and, recent growth trends among business sectors that typically utilize office space.

Twin Cities Office Market Conditions

Maxfield Research and Consulting, LLC analyzed office market trends for the Twin Cities Metro Area, including total rentable area, vacancy rates, lease rates and absorption. The data is provided by Cushman & Wakefield|NorthMarq and is presented in Table MA-6. The data includes information for multi-tenant office buildings greater than 20,000 square feet in size.

- The Twin Cities office market, as tracked by Cushman & Wakefield|NorthMarq, is comprised of 615 properties totaling 71.6 million square feet of space. As depicted in the following graph, the Minneapolis CBD contains the greatest proportion of office space in the Metro Area with 26.0 million square feet (36% of the total) in 104 properties.

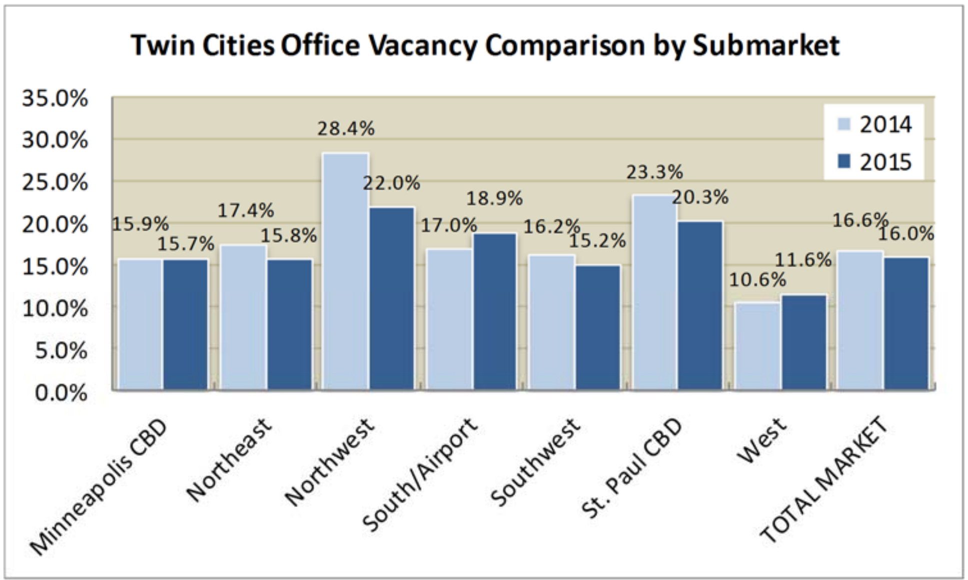


- The southwest submarket, which includes Scott County, is the second largest submarket with 14.3 million square feet in 138 properties (20% of the total), while roughly 12% of the office space is situated in the west submarket (8.7 million square feet in 94 properties).

- Of the office properties tracked by Cushman & Wakefield|NorthMarq, only one (a 28,000 square-foot building at 8170 Old Carriage Court in Shakopee) is located in Scott County.

- At year-end 2015, there were 11.5 million square feet of office space vacant in the Twin Cities, representing a vacancy rate of 16.0%, down from 16.6% in 2014 after 981,600 square feet of space were absorbed. Office vacancy is at its lowest level since 2008 (15.9%) and absorption reached its highest level since 2006 when 1.6 million square feet were absorbed.

- Vacancy rates vary greatly across the Metro Area, with the West submarket (i.e. the I-394 corridor) being the tightest submarket with an 11.6% vacancy rate, while the Northwest submarket has the highest vacancy rate at 22.0%.



- Across the Metro Area, Class A office space is the tightest product type with a 12.8% vacancy rate. Demand for Class A space generated 311,000 square feet of absorption in 2015. Class B space, which experienced 455,000 square feet of absorption in 2015, is 19.0% vacant. Much of the Class B absorption occurred in renovated, well-located properties in the Minneapolis CBD.

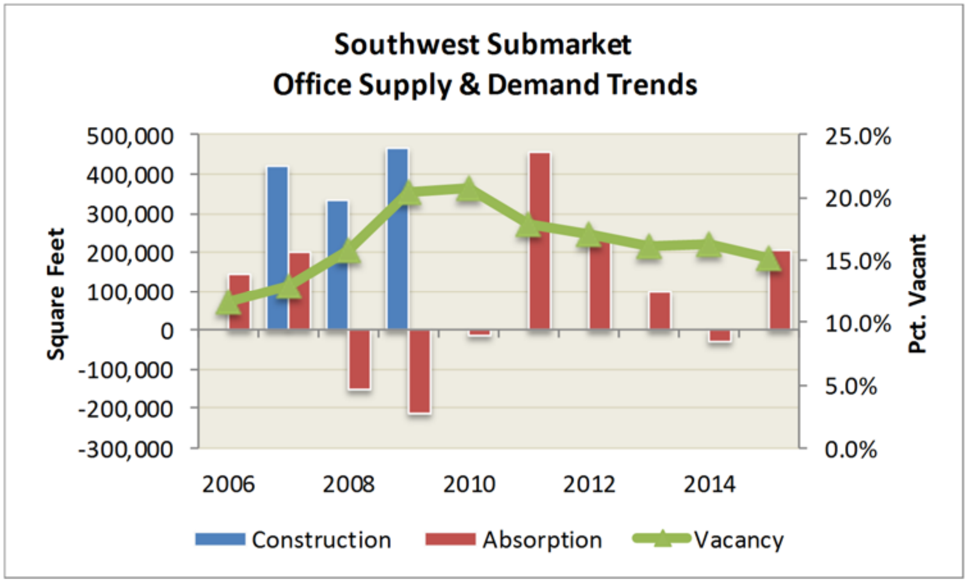
- Six of the seven submarkets experienced positive absorption during the year, led by the Minneapolis CBD with nearly 249,000 square feet of absorption and the Northeast submarket with 241,000 square feet of absorption.

- Rental rates are gradually increasing, particularly at Class A properties in high-demand locations. Marketwide, Class A rents increased 1.8% over the past year to $16.77 per square foot net. Class A rents have been climbing steadily since 2010, increasing 2.8% per year, on average. Class B rents are also climbing, rising 6.1% over the past year to $12.12 per square foot net.

- Vacancy in the Southwest submarket, which includes Scott County, declined 1.0 percent to 15.2% after 204,000 square feet were absorbed in 2015. Class A vacancy is relatively low in the Southwest, at 13.9%, while vacancy in Class B and C properties is at 17.1%.

- Absorption in the Southwest submarket was relatively balanced over the year, with Class A properties experiencing 65,000 square feet of absorption. Class B and C space experienced 70,000 square feet and 69,000 square feet of absorption, respectively.

- As depicted in the following graph, the delivery of new product coupled with a sharp drop in demand due to the recession caused vacancy rates to climb sharply in the Southwest submarket between 2007 and 2010. However, direct vacancy has been gradually declining since peaking at 20.8% in 2010.



- Equilibrium in the office market is generally considered to be vacancy of approximately 10% to 12%. While vacancy for the entire market remains well-above equilibrium, Class A vacancy is at or approaching equilibrium in several submarkets suggesting that these submarkets may soon be able to support new office development.

- There has been minimal multi-tenant office development activity since the last of the projects launched pre-recession were delivered in 2008 and 2009, and there is very little new speculative multi-tenant space under construction or expected to get underway in the near term. The 170,000-square foot Offices at MOA in Bloomington opened in late 2015 and remains completely vacant, although Cray Inc. will move into about 87,000 square feet of space in early 2017. T3, a 210,000 square-foot office building being developed by Hines in the North Loop of Minneapolis, is expected to open in the third quarter of 2016.

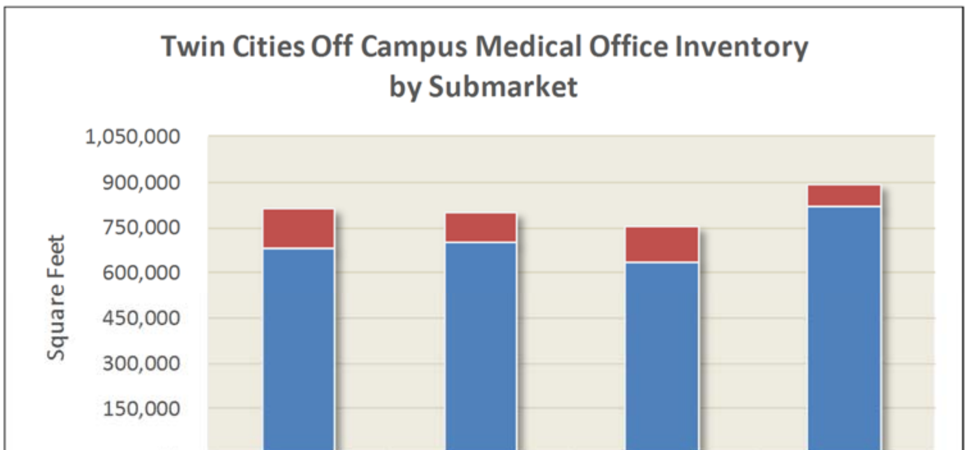
- Despite recent tightening, office vacancy rates are above equilibrium and there is little demand for new speculative office development, particularly in most suburban submarkets. The slow recovery has been driven, in part, by a shift in office space utilization as companies strive to become more efficient by increasing densities in office space. At 15.2%, vacancy in the Southwest submarket is slightly lower than the Metro Area vacancy rate, but the Class A vacancy rate of 13.9% is slightly higher than Class A vacancy across the Metro Area (12.8%).

Twin Cities Medical Office Market Conditions

Maxfield Research and Consulting, LLC analyzed medical office market trends for the Twin Cities Metro Area, including total rentable area, vacancy rates, and absorption. The data is provided by Cushman & Wakefield|NorthMarq and presented in Table MA-7. A medical office building is defined as a property where 50% or more of the tenants are medical-oriented. Medical properties typically have a higher parking ratio than traditional office properties and are generally marketed to medical tenants and have the infrastructure capable to accommodate medical uses.

Cushman & Wakefield|NorthMarq divides the local medical office market into two product types; On Campus and Off Campus. On Campus properties are connected by a tunnel or skyway to a hospital or major ambulatory surgery center or located in a distinct area adjacent to a hospital or ambulatory surgery center. Off Campus properties are not connected or immediately adjacent to a hospital or ambulatory surgery center. The following points summarize key findings from the Cushman & Wakefield|NorthMarq 2015 *Compass* report.

- As defined by Cushman & Wakefield/NorthMarq, the Twin Cities medical office market consists of 115 properties, totaling 6.4 million square feet. There are 40, On Campus buildings with 3.2 million square feet of space and 75, Off Campus properties comprising 3.3 million square feet. The following graph depicts the Off Campus inventory by submarket.



	Northeast	Northwest	Southeast	Southwest
Vacant	129,790	99,393	118,520	74,561
Occupied	682,387	703,661	637,923	819,434

- Overall vacancy is 11.8%, up from 10.4% at year-end 2014, with Off Campus vacancy at 12.7% and On Campus vacancy at 10.7%. Many On Campus facilities are fully-occupied with five hospital campuses reporting zero vacancy, including St. Francis in Shakopee.

- The medical office market experienced 25,000 square feet of absorption during 2015. The 45,000 square feet of On Campus absorption was partially offset by negative absorption in the Off Campus market (-20,000 square feet).

- The Southwest submarket, which encompasses Scott County, is the largest Off Campus submarket with 18 properties, totaling 894,000 square feet of medical office space (27% of the Metro Area's Off Campus total). These projects are 8.3% vacant, the lowest vacancy rate among the four Off Campus medical office submarkets, after experiencing -14,000 square feet of negative absorption during 2015.

- Cushman & Wakefield|NorthMarq is tracking four medical office buildings in Scott County, including two Off Campus properties totaling 51,000 square feet and two On Campus properties totaling 80,000 square feet. As of year-end 2015, roughly 2,800 square feet of Off Campus space is vacant (5.4% vacancy rate) in Scott County and the On Campus space was fully-occupied.

- Going forward, mergers and alliances within the healthcare industry will impact demand for medical space. In an effort to become more efficient, independent practices will likely continue merging or aligning with systems, reducing the number of independent providers in the market. The medical office market will be impacted as these new partnerships and organizations evaluate their real estate inventory to determine if redundancies exist and where service delivery can be expanded.

- Additionally, the pool of potential patients has grown after roughly 180,000 residents of Minnesota gained health insurance due to the Affordable Care Act. In an attempt to serve this larger group of patients, the major health systems are restructuring their service delivery models. This restructuring has involved the creation of new urgent care, transitional care, and ambulatory care facilities in locations that are closer to where people live.

- The Off Campus market will continue to evolve to find the best way to serve patients under the new healthcare model with an emphasis on delivering care closer to the patient. This will likely result in the continued trend of moving ambulatory care clinics away from On Campus hospital settings and healthcare systems are expected to continue locating in suburban markets. This is expected to be a major trend as healthcare providers and practitioners seek out space in locations that offer easier access and convenience to their patients.

- Roughly 400,000 square feet of space is under construction and should be delivered in 2016. Nearly half of this development activity (189,000 square feet) is occurring in the Northeast submarket. There are no Off Campus facilities under construction in the southwest submarket.

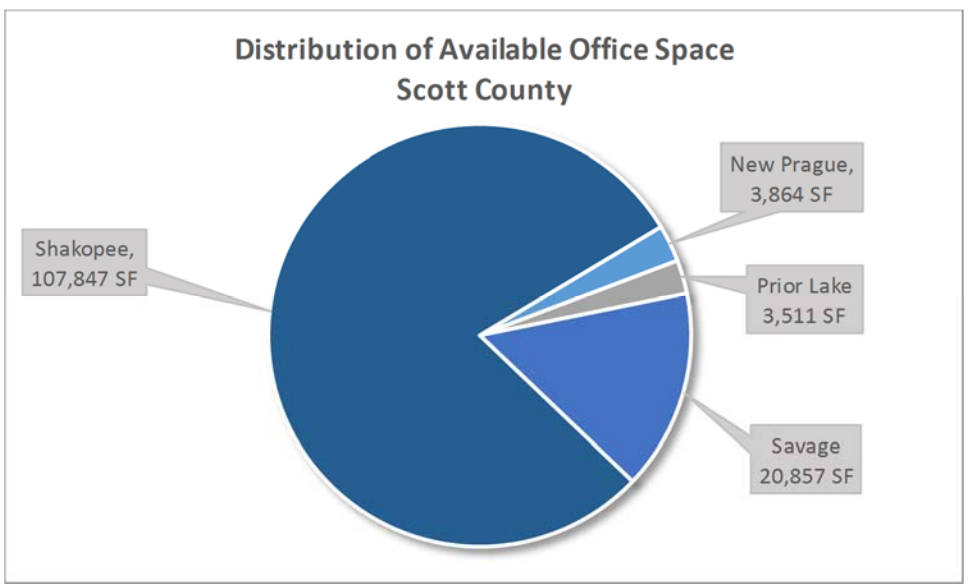
Actively-Marketing Office Properties in Scott County

Table MA-8 shows office space listed as available for lease in Scott County on the Xceligent Commercial Property Exchange as of October 2016. The data is provided to show the types and amount of space listed as available on the Commercial Property Exchange at the time of our research along with pricing and class.

Class A buildings, are generally newer, offer a variety of amenities, provide a good location with convenient access and visibility, and are generally considered the highest-quality buildings in the area. Older Class B buildings are sometimes renovated and situated in good locations, while newer buildings are relatively small, located in non-prime areas, and do not provide the amenities and finishes of a Class A building. Class C properties are typically the oldest in the area and are typically in average to poor condition.

- As depicted in the table, Maxfield Research identified 15 properties with office space listed for lease in Scott County. Combined, these properties contain an inventory of roughly 316,000 square feet with 136,079 square feet available for lease.

- As illustrated in the following graph, Shakopee contains the highest concentration of available space in Scott County, with nearly 108,000 square feet (79% of the total supply). Roughly 15% of the supply of available space is located in Savage (21,000 square feet), while 3% is situated in New Prague (3,864 square feet) and Prior Lake (3,511 square feet). There are no office properties listed for lease in Jordan and Belle Plaine.



- Roughly 40% of the office properties are single-story buildings (six properties) and 47% of the buildings (seven properties) have two stories. There are also two, three-story buildings (13%) with space available for lease in Scott County.

- The majority (67%) of these properties are classified as Class B office space, while 27% (four buildings) have been designated by the listing broker as Class A and one building is considered a Class C property. Over 90% of the available office space in Scott County is Class B (123,600 square feet), while Class A properties contain roughly 6% of the available space (7,400 square feet) and 4% of the availability is Class C space (5,000 square feet).

- A majority of the office buildings are considered "General Purpose" office properties (11 properties), suggesting that the occupancy is typically comprised of professional service-related firms (i.e. accounting, legal, real estate, etc.) There are also three Medical office buildings and one freestanding bank building with office space available for lease.

- There is also one industrial flex building offering 3,225 square feet of office space for lease, which is excluded from the table. Flex properties are buildings designed to allow its occupants flexibility of alternative uses of the space, usually in an industrial park setting. Flex properties are often used for research and development (R&D), laboratory space, light manufacturing, high-tech uses, or data/call centers. Flex buildings (also frequently labeled as Office Showroom) are generally single-story buildings and often compete with Class B office space for tenants.

- The average size of the available office space in Scott County is 8,400 square feet, with suite sizes ranging from as small as 151 square feet to over 98,000 square feet of contiguous space. Generally, the office buildings listed with space available for lease in Scott County are relatively small, averaging 21,039 square feet.

- Commercial leases are generally net leases (also commonly referred to as triple-net or NNN leases), as is the case in the properties in Scott County as roughly 87% of the properties are marketing space under a net lease basis. The average net rent is $12.44 per square foot (weighted by the amount of space in each property), with quoted net rental rates ranging from a low of $8.00 per square foot to a high of $22.00 per square foot.

- The newer Class A properties have higher net rental rates, at an average of roughly $17.09 per square foot, which is approximately 38% higher than the average rent at the Class B properties ($12.42 per square foot).

- In addition to the base rent for occupancy, net leases require that the lessee also pays maintenance and operating expenses such as taxes, insurance, utilities, and repairs. A gross lease requires that the lessee pays a fixed rent and the lessor pays the taxes, insurance and other charges regularly incurred through ownership. Tenants in these net lease properties pay approximately $10.17 per square foot on average for tax and operating expenses along with the base rent for the space, including roughly $3.68 per square for taxes and $6.50 for operating expenses.

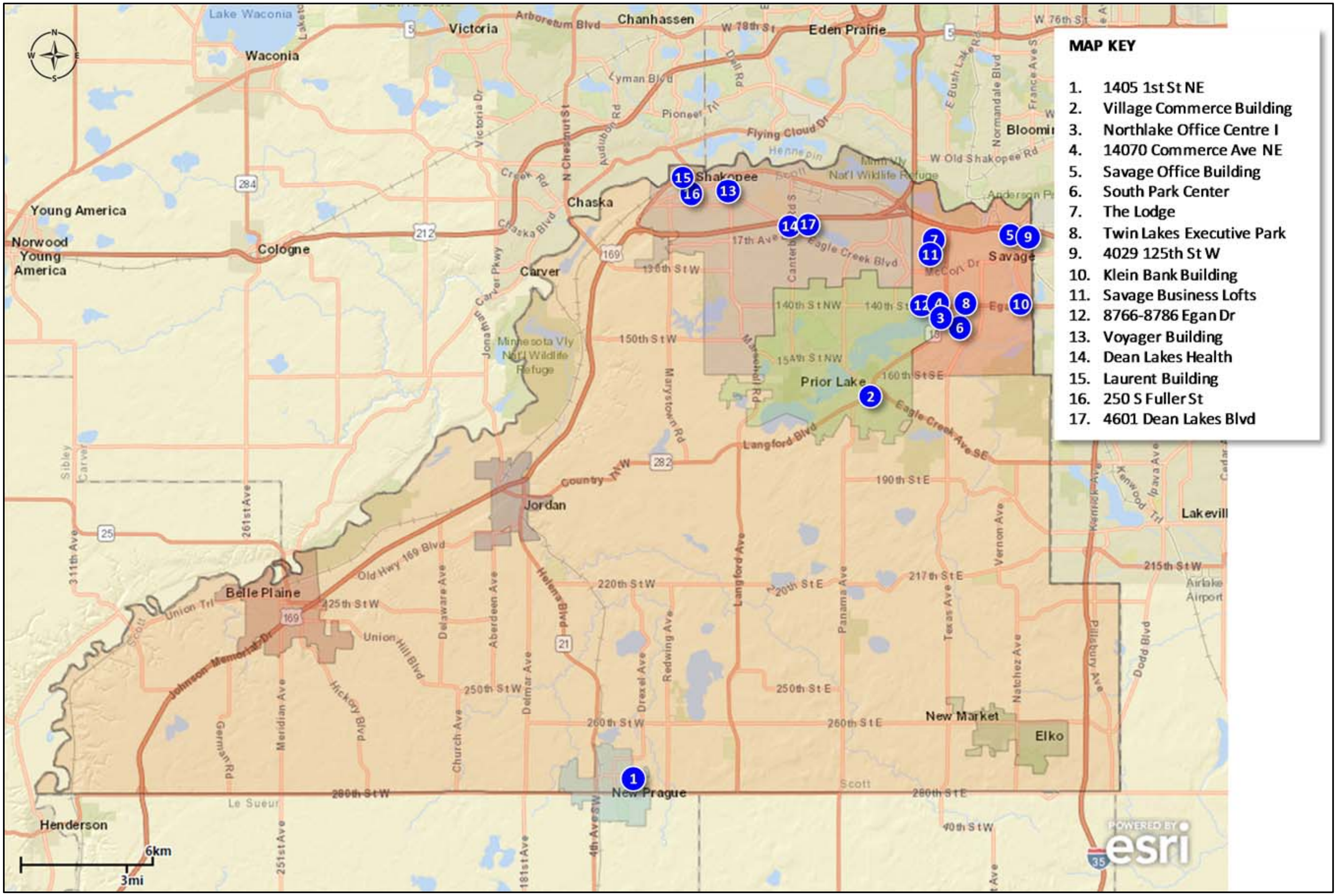
- In addition to space available for lease, we identified six office properties in Scott County marketed for sale to an owner/user. These properties total approximately 150,000 square feet of space and are being marketed at an average quoted price of $71.94 per square foot (psf).

- Four of the office properties listed for sale are located in Savage, including:

  - 8766 Egan Drive, a 10,000 square-foot building listed for $14 psf;
  - 4029 125th Street, an 1,800 square-foot building listed for $139 psf;
  - Savage Business Lofts, a 6,064 square-foot building listed for $65 psf; and,
  - The Lodge Office Condominiums which has six suites available for sale or for lease, totaling 9,163 square feet.

- The former QLogic building in Shakopee (98,351 square feet) is also listed for-sale marketed to either an owner/user or an investor for $91 psf, and there is also a 25,000 square-foot building at 250 South Fuller Street in Shakopee listed for-sale at $65 psf.

Available Office Space Map



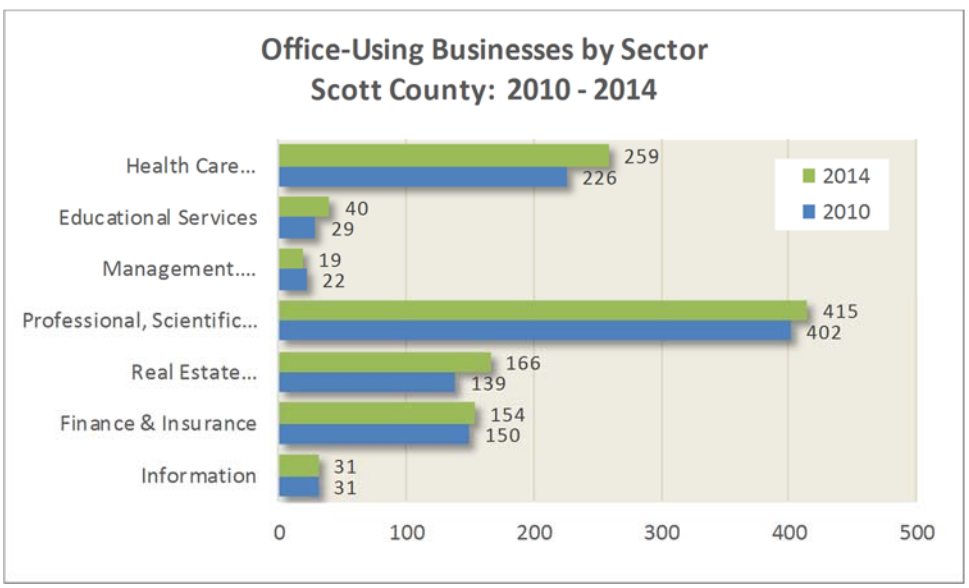
Office-Using Business Growth by Type of Business

Table MA-9 presents the distribution of businesses that are typical users of office space by number of employees in Scott County in the years 2010 and 2014, the most recent data available. The data is extracted from the Business Register, a database of all known employer companies which is maintained and updated by the U.S. Census Bureau and is compiled based on ZIP Code boundaries.

Growth in these sectors is an important indicator of total demand for office space and the size of businesses provides an indication of the type and sizes of office spaces required. In addition to businesses in these sectors, a small amount of office demand will be generated from other sectors, including government agencies.

- The office-using business categories include Information; Finance and Insurance; Real Estate; Professional, Scientific, and Technical Services; Management of Companies and Enterprises; Education; and, Health Care and Social Assistance. The number of businesses in these categories in Scott County expanded from 999 businesses in 2010 to 1,084 businesses in 2014, an 8.5% increase.

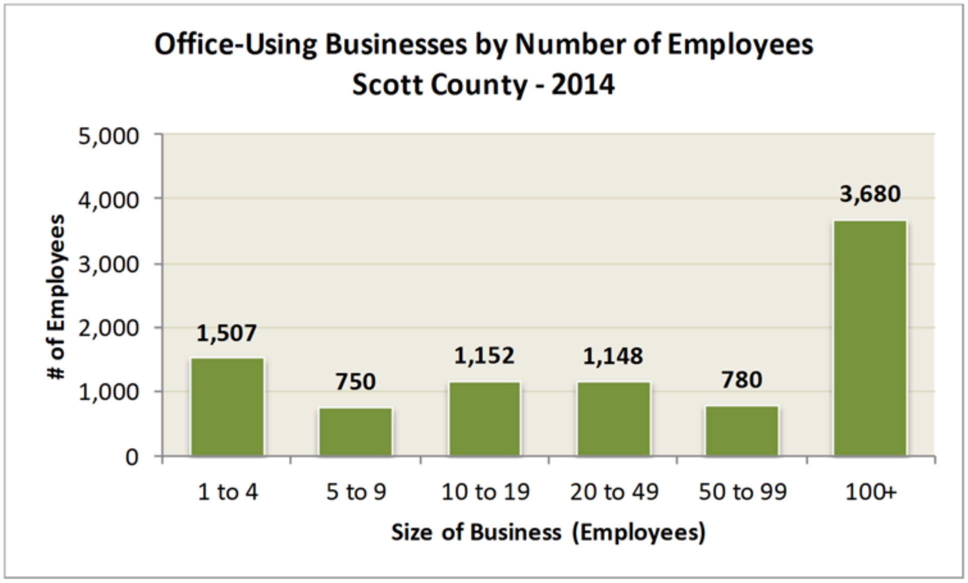
- There were 76 (44%) establishments in The Professional, Scientific, and Technical Services industry had the highest number of office-using business establishments in the County in 2014, with 415 (38%), followed by Health Care and Social Assistance (includes child day care, dentists, chiropractors and other medical doctors) with 259 businesses (24%).



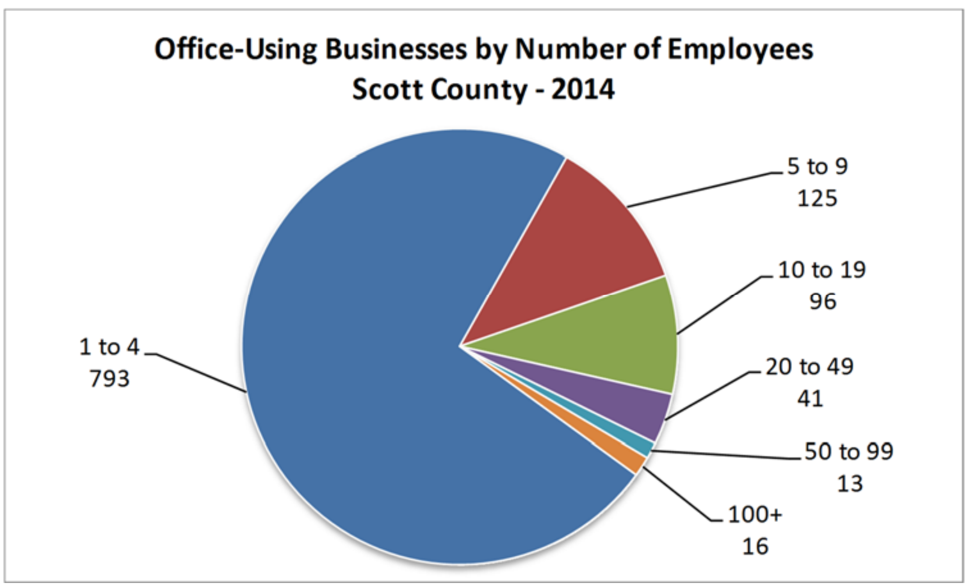
- While the Professional, Scientific, and Technical Services industry maintains the largest presence of office-using business establishments in the area, the Health Care and Social Assistance and Real Estate sectors experienced the largest growth between 2010 and 2014, adding 33 businesses (+15%) and 27 businesses (+19%), respectively.

- Household growth in Scott County is likely stimulating demand for services from businesses in these sectors.

- Based on the distribution of businesses by employee size range, we estimate that these 1,084 business establishments employ roughly 9,000 workers in the County. As depicted in the following graph, businesses with 100 or more workers would employ approximately 41% of the workers in the area (an estimated 3,680 employees).



- Of the office-using businesses in Scott County, 73% had fewer than five employees (793 businesses), 12% had between five and nine workers (125), 9% had between 10 and 19 workers (96), and 4% had 20 to 49 workers (41). There are also 13 establishments with 50 to 99 employees (1.2%) and 16 with 100 or more employees.



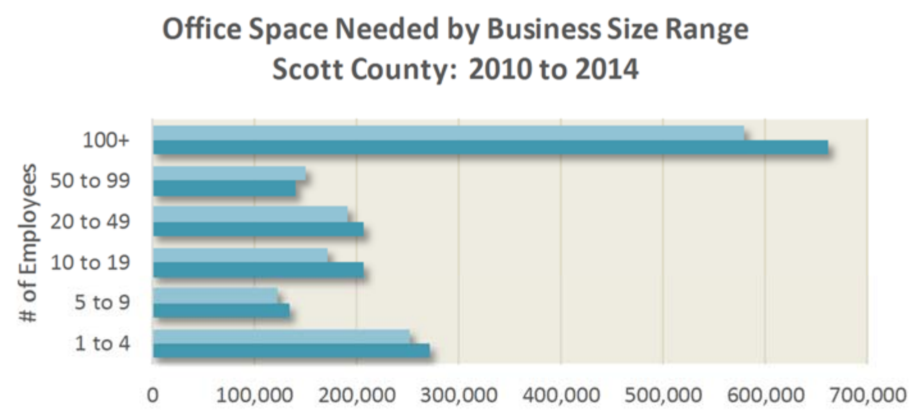
- Based on this information, it appears that the majority of office users in the area are likely to require smaller spaces. Assuming that office employees occupy an average of 180 square feet of office space, most companies in the area would need less than 1,000 square feet, and only 15% of the business establishments would need more than 1,800 square feet. It should be noted that many of these small business establishments are likely to be located in home offices.

- The following chart shows an estimate of the total amount of office space needed to accommodate the businesses listed in the table by size of business in 2014 compared to 2010. The figures assume that employees occupied an average of 180 square feet of office space (including common areas).

- According to various commercial real estate industry sources (i.e. CoreNet Global and NAIOP), office space utilization has dropped steadily over the past decade as office users have attempted to gain efficiencies by increasing the amount of collaborative meeting space and shrinking the square footage allocated to individual work spaces.

- The chart shows that about 1.62 million square feet was needed to accommodate all of the businesses in 2014. However, 793 companies (73% of the total) in the area would require less than 900 square feet of space and many of these businesses with between one and four employees are likely operated from private homes, thereby reducing total office needs to about 1.35 million square feet.

- Growth occurred in the amount of space required to accommodate most business size ranges between 2010 and 2014, but the largest growth occurred in the amount of space required to accommodate the larger users in the County (100+ employees). In 2014, roughly 662,400 square feet of space was needed to accommodate these users, compared to 579,600 square feet in 2010, a 14% increase (+82,800 square feet).



	1 to 4	5 to 9	10 to 19	20 to 49	50 to 99	100+
2010	252,738	123,120	172,800	191,520	151,200	579,600
2014	271,206	135,000	207,360	206,640	140,400	662,400

- The 10 to 19 employee business size range also experienced noteworthy growth, as the amount of space required to accommodate establishments in this size range expanded 20% (+34,560 square feet). This trend suggests a growing need for office spaces in the 1,800 to 3,600 square foot range. Most of this growth occurred in the Health Care and Social Assistance sector.

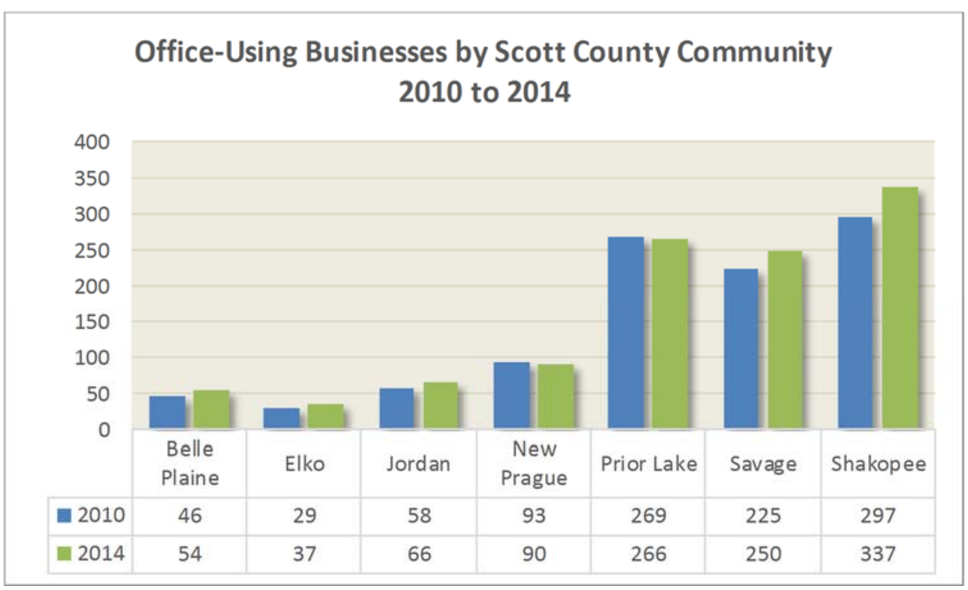
- Demand for commercial office space can also be generated from sectors other than the traditional office-using industries, including: Administrative and Support and Waste Management and Remediation Services (i.e. temporary employment agencies, security firms, cleaning companies); Arts, Entertainment, and Recreation; and, Other Services (i.e. grantmaking, advocacy, drycleaning and laundry services).

- In total, these non-traditional office users (580 establishments) represent 18% of all businesses establishments in Scott County, while the traditional office-using sectors represent 33% of the businesses.

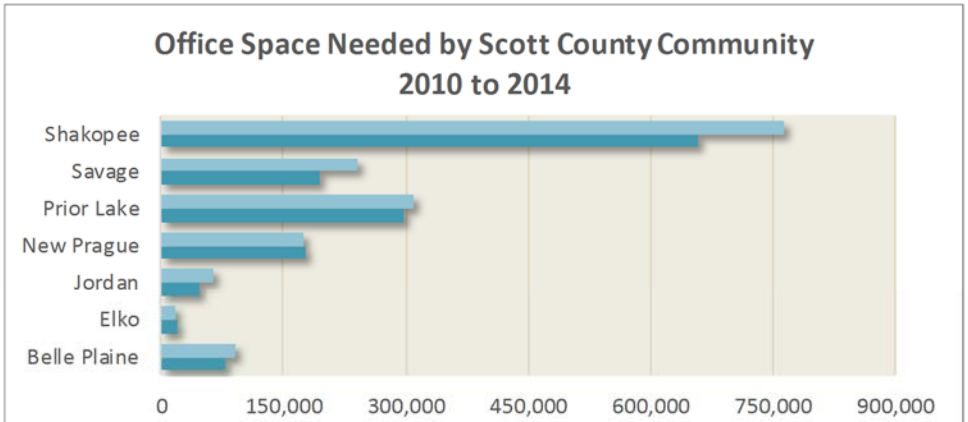
- Roughly 66% of the non-traditional office users employ fewer than five workers, while 15% have between five and nine employees, 9% employ 10 to 19 workers, and 7% have 20 to 49 employees. There are relatively few establishments with more than 50 workers.

Table MA-10 presents the distribution of businesses that are typical users of office space by number of employees for each of the major communities in Scott County for the years 2010 and 2014, the most recent data available. Data was obtained using the ZIP Codes which comprise each City.

- As depicted in the following graph, Shakopee contains the highest number of office-using businesses in the County with 337 in 2014 (31% of the total), followed by Prior Lake with 266 (24%) and Savage with 250 (23%).



- Growth occurred in the amount of space required to accommodate office-using businesses in most Scott County communities between 2010 and 2014, but the largest growth occurred in Shakopee and Savage.



	Belle Plaine	Elko	Jordan	New Prague	Prior Lake	Savage	Shakopee
2014	90,000	18,162	62,946	175,716	309,096	239,706	764,748
2010	78,948	19,404	47,088	177,138	296,172	194,868	658,710

TABLE MA-6
OFFICE MARKET STATISTICS
TWIN CITIES
2014 - 2015

2015

Submarket	# of Bldgs	Total Rentable SF	Total Vacant SF	Vacancy Rate	2015 Absorption	Net Rent
Minneapolis CBD	104	25,996,444	4,076,995	15.7%	248,644	$15.62
Northeast	121	7,683,489	1,212,773	15.8%	241,037	$11.84
Northwest	35	2,241,711	493,039	22.0%	152,396	$10.74
South/Airport	82	5,916,573	1,118,094	18.9%	25,499	$12.35
Southwest	**138**	**14,335,534**	**2,174,412**	**15.2%**	**204,393**	**$14.96**
St. Paul CBD	41	6,777,235	1,375,382	20.3%	161,449	$10.36
West	94	8,692,528	1,007,469	11.6%	(51,803)	$16.17
Total Market	**615**	**71,643,514**	**11,458,164**	**16.0%**	**981,615**	**$14.37**

2014

Submarket	# of Bldgs	Total Rentable SF	Total Vacant SF	Vacancy Rate	2014 Absorption	Net Rent
Minneapolis CBD	105	26,025,552	4,131,766	15.9%	181,956	$15.04
Northeast	118	7,637,170	1,332,166	17.4%	6,984	$11.78
Northwest	35	2,241,711	637,155	28.4%	34,842	$10.37
South/Airport	80	5,746,573	977,261	17.0%	51,373	$12.24
Southwest	**137**	**14,335,534**	**2,318,088**	**16.2%**	**(29,837)**	**$14.40**
St. Paul CBD	41	6,777,235	1,578,714	23.3%	(103,491)	$9.98
West	94	8,692,528	917,419	10.6%	130,116	$15.21
Total Market	**610**	**71,456,303**	**11,892,569**	**16.6%**	**271,943**	**$13.85**

Sources: Cushman & Wakefield | NorthMarq; Maxfield Research & Consulting, LLC

TABLE MA-7
MEDICAL OFFICE MARKET STATISTICS
TWIN CITIES
2014 - 2015

	# of Bldgs	Total Rentable SF	Total Vacant SF	Vacancy Rate	2015 Absorption	Net Rent
2015						
On Campus	40	3,170,647	338,241	10.7%	44,624	$19.01
Off Campus	75	3,265,669	422,264	12.9%	(19,897)	$17.48
Northeast	20	812,177	129,790	16.0%	(13,637)	$17.41
Northwest	16	803,054	99,393	12.4%	(709)	$15.33
Southeast	21	756,443	118,520	15.7%	8,296	$18.73
Southwest	**18**	**893,995**	**74,561**	**8.3%**	**(13,847)**	**$18.81**
Total Medical Office	**115**	**6,436,316**	**760,505**	**11.8%**	**24,727**	**$18.30**

	# of Bldgs	Total Rentable SF	Total Vacant SF	Vacancy Rate	2014 Absorption	Net Rent
2014						
On Campus	39	3,113,023	327,512	10.5%	183,734	$19.28
Off Campus	72	3,192,219	328,267	10.3%	5,535	$17.33
Northeast	20	812,177	115,503	14.2%	(16,711)	$17.50
Northwest	15	790,054	85,684	10.8%	46,281	$15.15
Southeast	19	695,993	66,366	9.5%	(11,970)	$18.62
Southwest	**18**	**893,995**	**60,714**	**6.8%**	**(12,065)**	**$18.47**
Total Medical Office	**111**	**6,305,242**	**655,779**	**10.4%**	**189,269**	**$18.38**

Sources: Cushman & Wakefield | NorthMarq; Maxfield Research & Consulting, LLC

TABLE MA-8
OFFICE BUILDINGS AVAILABLE FOR LEASE
SCOTT COUNTY
October 2016

Property Name/ Address	Year Built	Bldg Size/ SF Available	Lease Rate/ Lease Type	Tenancy	Taxes/ SF	Op. Exp./ SF	Class Floors	Specific Use
NEW PRAGUE								
1405 1st St NE	2005	7,980	$8.70 - $8.70	MT	$1.55	$5.00	B	General
1405 1st St		3,864	Gross				2	Purpose
PRIOR LAKE								
Village Commerce Building	2007	22,377	$14.00 - $14.00	MT	$4.00	$4.57	A	General
4719 Park Nicollet Ave		709	Net, Net, Net				2	Purpose
Northlake Office Centre I	1986	10,982	Negotiable	MT	$4.76	$4.91	B	General
14198 Commerce Ave		1,352	Net, Net, Net				1	Purpose
14070 Commerce Ave NE	1999	6,098	$12.00 - $12.00	MT	--	$7.12	B	Medical
14070 Commerce Ave		1,450	Net				1	
SAVAGE								
Savage Office Building	1981	8,060	$8.00 - $8.00	MT	$3.46	$4.08	B	General
12400 Princeton Ave		1,868	Net				1	Purpose
South Park Center	2006	10,168	Negotiable	MT	--	$10.68	A	Medical
7450 Park Dr		2,235	Net				1	
The Lodge	2008	35,547	$14.00 - $18.00	MT	$3.40	--	B	General
8646 Eagle Creek Cir		7,550	Net, Net, Net				2	Purpose
Twin Lakes Executive Park	2001	35,640	$13.00 - $14.00	MT	$5.14	$5.13	B	General
7447 Egan Dr		3,552	Net				3	Purpose
4029 125th St W	1963	1,800	$13.00 - $20.00	MT	$2.19	$4.81	B	General
4029 125th St		1,800	Net				1	Purpose
Klein Bank Building	1986	13,038	$19.00 - $19.00	MT	--	--	B	Freestanding
14141 Glendale Rd		560	Gross				2	Bank
Savage Business Lofts	2006	6,064	$16.00 - $16.00	MT	--	--	B	General
8690 Eagle Creek Pkwy		3,292	Net, Net, Net				2	Purpose
SHAKOPEE								
Voyager Building	2004	27,758	$14.00 - $14.00	MT	--	$9.43	A	General
500 Marschall Rd		2,197	Net				3	Purpose
Dean Lakes Health	2004	19,089	$20.00 - $22.00	MT	$7.03	$10.24	A	Medical
4201 Dean Lakes Blvd		2,303	Net				1	
Laurent Building	1900	12,626	$8.00 - $8.00	MT	$1.66	--	C	General
100 Fuller St		4,996	Net				2	Purpose
4601 Dean Lakes Blvd	2006	98,351	$12.00 - $12.00	ST	$3.56	$5.48	B	General
4601 Dean Lakes Blvd		98,351	Net				2	Purpose

*MT = Multi-Tenant; ST = Single-Tenant

Sources: Xceligent; Maxfield Research & Consulting, LLC

TABLE MA-9
OFFICE-USING BUSINESSES BY INDUSTRY AND SIZE OF BUSINESS
SCOTT COUNTY
2010 and 2014

	--------- Industry Description ----------							Total	
# of Employees	Information	Finance & Insurance	Real Estate & Rental & Leasing	Professional Scientific & Tech. Services	Mgmt of Companies & Enterprises	Education	Health Care & Social Assistance	No.	Pct.
2010									
1 to 4	17	105	124	353	8	19	113	739	74.0
5 to 9	4	23	9	24	5	2	47	114	11.4
10 to 19	5	12	5	19	2	1	36	80	8.0
20 to 49	3	9	0	4	3	4	15	38	3.8
50 to 99	2	1	1	1	2	3	4	14	1.4
100 to 249	0	0	0	0	2	0	8	10	1.0
250 or more	0	0	0	1	0	0	3	4	0.4
Total	**31**	**150**	**139**	**402**	**22**	**29**	**226**	**999**	100.0
2014									
1 to 4	16	105	150	362	7	22	131	793	73.2
5 to 9	5	27	10	25	6	8	44	125	11.5
10 to 19	7	15	5	18	0	5	46	96	8.9
20 to 49	1	7	0	8	2	3	20	41	3.8
50 to 99	1	0	1	0	3	1	7	13	1.2
100 to 249	1	0	0	1	1	1	7	11	1.0
250 or more	0	0	0	1	0	0	4	5	0.5
Total	**31**	**154**	**166**	**415**	**19**	**40**	**259**	**1,084**	100.0

Sources: Bureau of the Census, County Business Patterns; Maxfield Research & Consulting, LLC

TABLE MA-10
OFFICE-USING BUSINESSES BY INDUSTRY AND SIZE OF BUSINESS
SCOTT COUNTY COMMUNITY COMPARISON
2010 and 2014

	--------- Industry Sector ----------																	
# of Employees	Information		Finance & Insurance		Real Estate & Rental & Leasing		Scientific & Tech. Services		Mgmt of Companies & Enterprises		Education		Health Care & Social Assistance		2010 Total		2014 Total	
	2010	2014	2010	2014	2010	2014	2010	2014	2010	2014	2010	2014	2010	2014	No.	Pct.	No.	Pct.
Belle Plaine (56011 ZIP Code)																		
1 to 4	1	0	4	5	9	10	13	15	0	1	1	2	6	7	34	73.9	40	74.1
5 to 9	0	1	2	2	0	0	0	0	0	0	1	1	3	3	6	13.0	7	13.0
10 to 19	1	1	0	0	0	0	0	0	0	0	0	0	1	2	2	4.3	3	5.6
20 to 49	1	0	1	1	0	0	0	0	1	1	0	0	0	0	3	6.5	2	3.7
50 to 99	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0.0	1	1.9
100 to 249	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0.0	1	1.9
250 or more	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	2.2	0	0.0
Total	**3**	**2**	**7**	**8**	**9**	**10**	**13**	**15**	**1**	**2**	**2**	**3**	**11**	**14**	**46**	100.0	**54**	100.0
Elko-New Market (55020 & 55054 ZIP Codes)																		
1 to 4	0	1	1	2	6	7	11	16	0	0	1	0	3	5	22	75.9	31	83.8
5 to 9	0	0	0	1	0	0	2	1	0	0	0	2	1	1	3	10.3	5	13.5
10 to 19	0	0	2	1	0	0	1	0	0	0	0	0	1	0	4	13.8	1	2.7
20 to 49	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0.0
50 to 99	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0.0
100 to 249	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0.0
250 or more	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0.0
Total	**0**	**1**	**3**	**4**	**6**	**7**	**14**	**17**	**0**	**0**	**1**	**2**	**5**	**6**	**29**	100.0	**37**	100.0
Jordan (55352 ZIP Code)																		
1 to 4	0	0	8	5	8	11	22	19	0	0	0	0	6	8	44	75.9	43	65.2
5 to 9	1	0	1	3	0	1	3	3	1	1	0	0	3	4	9	15.5	12	18.2
10 to 19	0	3	2	2	0	0	0	0	0	0	0	1	1	3	3	5.2	9	13.6
20 to 49	0	0	0	0	0	0	0	0	0	0	1	0	0	1	1	1.7	1	1.5
50 to 99	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	1.7	1	1.5
100 to 249	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0.0
250 or more	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0.0
Total	**1**	**3**	**11**	**10**	**8**	**12**	**25**	**22**	**1**	**1**	**1**	**1**	**11**	**17**	**58**	100.0	**66**	100.0
New Prague (56071 ZIP Code)																		
1 to 4	2	1	13	12	9	8	18	22	0	0	1	1	16	14	59	63.4	58	64.4
5 to 9	0	0	4	4	0	0	1	0	1	0	0	0	8	7	14	15.1	11	12.2
10 to 19	2	2	1	1	0	0	3	3	1	0	1	2	3	4	11	11.8	12	13.3
20 to 49	1	1	3	2	0	0	0	1	0	0	0	0	3	3	7	7.5	7	7.8
50 to 99	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0.0
100 to 249	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	1.1	1	1.1
250 or more	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	1.1	1	1.1
Total	**5**	**4**	**21**	**19**	**9**	**8**	**22**	**26**	**2**	**0**	**2**	**3**	**32**	**30**	**93**	100.0	**90**	100.0
Prior Lake (55372 ZIP Code)																		
1 to 4	6	7	34	35	26	38	104	95	4	3	6	8	26	22	206	76.6	208	78.2
5 to 9	1	0	3	4	1	1	4	5	1	0	1	1	9	9	20	7.4	20	7.5
10 to 19	1	0	2	3	2	1	7	4	0	0	0	0	11	10	23	8.6	18	6.8
20 to 49	1	1	3	1	0	0	3	5	0	0	1	0	8	5	16	5.9	12	4.5
50 to 99	0	0	0	0	1	1	1	0	1	1	0	1	0	4	3	1.1	7	2.6
100 to 249	0	0	0	0	0	0	0	0	1	1	0	0	0	0	1	0.4	1	0.4
250 or more	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0.0
Total	**9**	**8**	**42**	**43**	**30**	**41**	**119**	**109**	**7**	**5**	**8**	**10**	**54**	**50**	**269**	100.0	**266**	100.0

----- continued -----

TABLE MA-10 continued
OFFICE-USING BUSINESSES BY INDUSTRY AND SIZE OF BUSINESS
SCOTT COUNTY COMMUNITY COMPARISON
2010 and 2014

# of Employees	Information		Finance & Insurance		Real Estate & Rental & Leasing		Scientific & Tech. Services		Mgmt of Companies & Enterprises		Education		Health Care & Social Assistance		2010 Total		2014 Total	
	2010	2014	2010	2014	2010	2014	2010	2014	2010	2014	2010	2014	2010	2014	No.	Pct.	No.	Pct.
Savage (55378 ZIP Code)																		
1 to 4	3	2	20	21	34	36	89	89	3	2	3	3	22	30	174	77.3	183	73.2
5 to 9	1	1	7	3	0	2	5	10	0	3	0	4	9	10	22	9.8	33	13.2
10 to 19	0	0	2	4	3	1	5	6	1	0	0	0	7	12	18	8.0	23	9.2
20 to 49	0	0	0	1	0	0	0	0	2	1	2	3	4	5	8	3.6	10	4.0
50 to 99	0	0	0	0	0	0	0	0	0	0	1	0	2	0	3	1.3	0	0.0
100 to 249	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0.0	1	0.4
250 or more	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0.0
Total	**4**	**3**	**29**	**29**	**37**	**39**	**99**	**105**	**6**	**6**	**6**	**11**	**44**	**57**	**225**	100.0	**250**	100.0
Shakopee (55379 ZIP Code)																		
1 to 4	3	4	27	26	34	39	94	105	1	1	8	9	38	50	205	69.0	234	69.4
5 to 9	1	3	7	10	8	6	8	6	2	2	1	1	19	13	46	15.5	41	12.2
10 to 19	1	1	4	5	0	3	5	6	0	0	0	2	13	16	23	7.7	33	9.8
20 to 49	1	0	2	3	0	0	1	3	0	0	0	0	2	8	6	2.0	14	4.2
50 to 99	2	1	1	0	0	0	0	0	2	2	2	0	1	1	8	2.7	4	1.2
100 to 249	0	1	0	0	0	0	0	1	0	0	0	0	7	5	7	2.4	7	2.1
250 or more	0	0	0	0	0	0	1	1	0	0	0	0	1	3	2	0.7	4	1.2
Total	**8**	**10**	**41**	**44**	**42**	**48**	**109**	**122**	**5**	**5**	**11**	**12**	**81**	**96**	**297**	100.0	**337**	100.0

Sources: Bureau of the Census, County Business Patterns; Maxfield Research & Consulting, LLC

Industrial Market

This section of the report analyzes the industrial market in the Market Area. Components of this analysis include: a review of industrial market conditions in the Twin Cities, the Southwest submarket, and Scott County; a summary of industrial space currently available in the County; and recent growth trends among business sectors that typically utilize industrial space.

Twin Cities Industrial Market Conditions

Maxfield Research and Consulting, LLC analyzed industrial market trends for the Twin Cities Metro Area, including total rentable area, vacancy rates, and absorption for the various submarkets in the Twin Cities as well as property subtypes in the Southwest Submarket compared to the Metro Area. The data is provided by Cushman & Wakefield|NorthMarq.

This information is useful in assessing the potential for additional industrial space in Scott County as the overall health of the industrial market will influence the development potential in the County. Definitions of the various industrial product types are as follows:

Office Showroom: One-story multi-tenant projects over 20,000 rentable square feet with more than 30% finished office space. Typical clear height ceilings are below 16 feet and these properties generally offer smaller bay sizes and heavier than normal finishes.

Office Warehouse: Multi-tenant facilities of 20,000 rentable square feet or larger which generally offer 10% to 20% office finish and have 16- to 24-foot clear height ceilings. Office Warehouse properties

Bulk Warehouse (Distribution): Multi-tenant buildings with 20,000 rentable square feet or larger which typically offer 5% to 10% office finish and have 24-foot or greater clear height ceilings. Bulk Warehouse is also frequently referred to as Distribution.

- The Twin Cities industrial market, as tracked by Cushman & Wakefield|NorthMarq, is comprised of 1,208 properties totaling 104.7 million square feet of space. The Northeast submarket contains the greatest proportion of industrial space in the Metro Area with 33.6 million square feet (26% of the total) in 386 properties.

- The Southwest submarket, which includes Scott County, contains roughly 24% of the Metro Area's supply of industrial space with 25.5 million square feet in 293 properties.

- The Twin Cities industrial market is in the expansion phase of the real estate cycle, as demand for space has been robust and vacancy is at equilibrium, generally considered between 10% and 12% vacancy in the industrial market.

- Strong demand and a tightening supply of space are exerting upward pressure on lease rates and development activity is at record levels.

- At 9.4% vacant (excluding sublease space), the industrial market vacancy rate is below equilibrium with the tightest vacancy rate since the late 1990s. Roughly 1.9 million square feet were delivered in 2015 with another 1.8 million square feet of space under construction in the Metro Area.

- According to the *Compass* report, roughly 3.7 million square feet of space absorption occurred in 2015, which was the highest amount of absorption recorded in the Twin Cities in ten years.

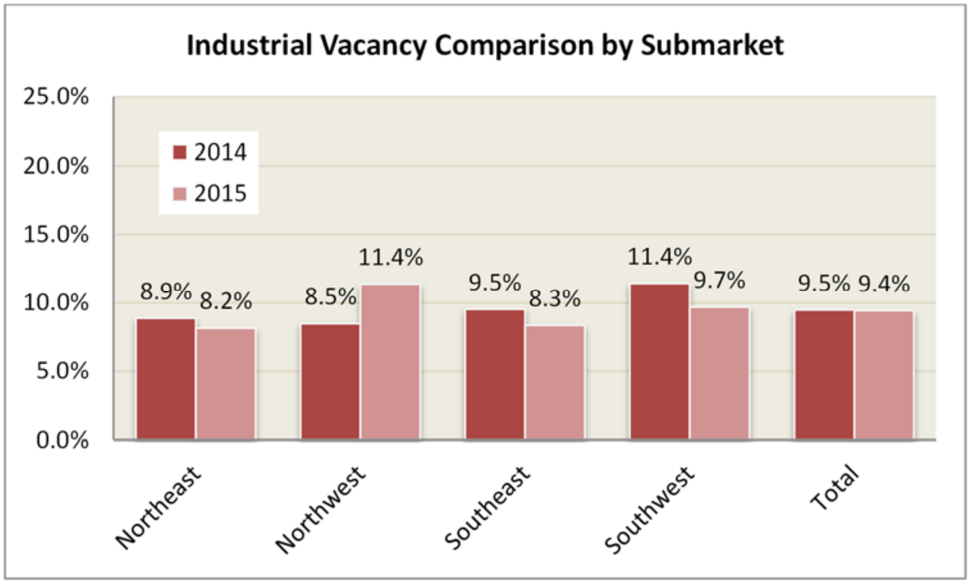
- All submarkets experienced strong absorption during the year, but demand for space was highest in the Southwest submarket, as nearly 1.7 million square feet were absorbed in 2015.

- Bulk Warehouse properties experienced 2.2 million square feet of absorption during the year, while demand for Office Warehouse space generated 1.2 million square feet of absorption. Roughly 295,000 square feet of Office Showroom space were absorbed.

- Most new Bulk Warehouse properties are being built with 32-foot clear height, 50-foot by 50-foot bay depths, and less than 10% office finish. New construction Office Warehouse properties typically have 24-foot clear height, 40-foot by 40-foot bay depths, up to 30% office finish, along with higher parking ratios, natural light, and glass.

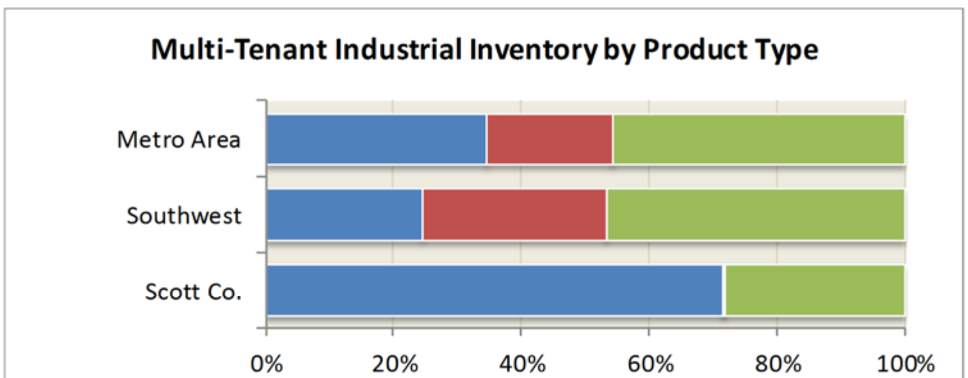
- Office Showroom demand was hit hardest during the recession with vacancies climbing to 19.4% in 2010, and Office Showroom space will often compete against Class B office properties for tenants. However, demand is recovering and over 720,000 square feet were absorbed over the past two years driving the vacancy rate down to 10.8%, the lowest vacancy rate since 2000. These trends suggest that the Office Showroom market may support new development in the near future.

- Industrial vacancy is down from the end of 2014 in nearly every submarket. The Northeast submarket is the tightest with an 8.2% vacancy rate, followed by the Southeast submarket with an 8.3% vacancy rate and the Southwest submarket (9.7% vacant). The Northwest submarket's vacancy rate increased from 8.5% in 2014 to 11.4% in 2015 due to the delivery of over 1.6 million square feet of space during the year.



- Demand for space in the Southwest submarket generated nearly 1.7 million square feet of absorption in 2015. Demand was strongest for Bulk Warehouse space, with 1.4 million square feet absorbed in 2015, followed by Office Warehouse (216,000 square feet absorbed) and Office Showroom (62,000 square feet of absorption).

- Space absorption pushed the industrial vacancy rate in the Southwest submarket down from 11.4% in 2014 to 9.7%, the lowest vacancy rate since the year 2000. Office Warehouse is the tightest product type with a 7.9% vacancy rate, followed by Bulk Warehouse (11.0%) and Office Showroom (11.4%). All three product types are at or below equilibrium.

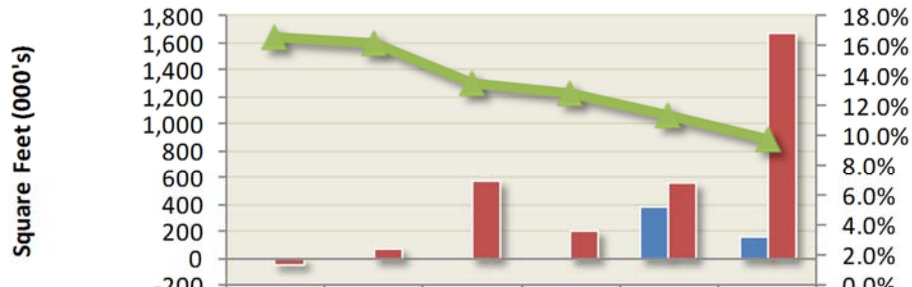


	Scott Co.	Southwest	Metro Area
Bulk Warehouse	3,783,963	6,256,682	36,343,088
Office Showroom	24,400	7,382,183	20,381,748
Office Warehouse	1,484,829	11,878,217	47,975,094

- As illustrated in the preceding graph, Office Warehouse space represents nearly 47% of the inventory in the Southwest submarket, similar to the Metro Area (46%). The proportion of Bulk Warehouse space in the Southwest (25%) is lower than the Metro Area (35%), while the proportion of Office Showroom space is notably higher in the Southwest (29%) compared to 20% in the Metro Area.

- In Scott County, nearly 72% of the tracked inventory (3.8 million square feet) is comprised of Bulk Warehouse space, while 28% (1.5 million square feet) is Office Warehouse space and 0.5% (24,400 square feet) is Office Showroom space.

- The following graph summarizes industrial supply (new construction and vacancy) and demand (absorption) trends in the Southwest submarket from 2010 through 2015.



	2010	2011	2012	2013	2014	2015
Construction	0	0	0	0	375	151
Absorption	-53	69	571	199	564	1,671
Vacancy	16.6%	16.2%	13.5%	12.9%	11.4%	9.7%

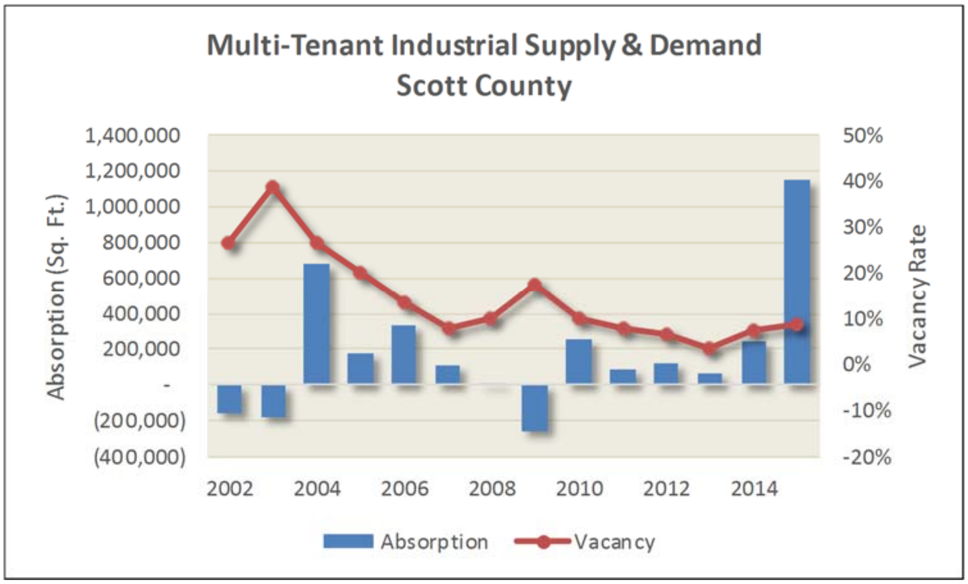
- Vacancy rates have been steadily declining since peaking at 16.6% in 2010, as the Southwest submarket has averaged roughly 615,000 square feet of absorption annually since 2011.

- The delivery of new multi-tenant product has been gradually increasing since the submarket's vacancy rate reached equilibrium. Approximately 526,000 square feet of new space has opened in the submarket since 2013.

- Of the industrial properties tracked by Cushman & Wakefield|NorthMarq, roughly 5.3 million square feet is located in Scott County (5.1% of the Metro Area total). Approximately 468,800 square feet was vacant at year-end 2015, representing an 8.9% vacancy rate – slightly lower than the Metro Area vacancy of 9.4%.

- Bulk Warehouse properties had a 12.1% vacancy rate (457,700 square feet) at year-end 2015 in Scott County, while Office Warehouse space was 0.7% vacant (9,900 square feet) and the Office Showroom space was 5.1% vacant (1,250 square feet).

- As depicted in the following graph, demand for industrial space was weak following the 2001 recession, but nearly 327,000 square feet were absorbed annually between 2004 and 2008. Vacancy rates dropped sharply from 39.0% in 2003 to 7.8% in 2007.



- Demand for space weakened in 2008 and 2009, but the County averaged 132,000 square feet of absorption annually between 2010 and 2013. Subsequently, vacancy dropped from 17.3% in 2009 to 3.5% in 2013. Spurred by the delivery of new product, absorption increased to over 241,000 square feet in 2014 and 1.15 million square feet in 2015.

Actively-Marketing Industrial Properties in Scott County

Table MA-12 shows industrial space currently listed as available for lease in Scott County on the Xceligent Commercial Property Exchange as of October 2016. The data is provided to show the types and amount of space listed as available on the Commercial Property Exchange at the time of our research along with pricing and industrial product type.

Based on established definitions provided by the National Association of Industrial and Office Professionals (NAIOP), a commercial real estate development association, industrial buildings are facilities in which the space is used primarily for research, development, service, production, storage, or distribution of goods. Industrial buildings are divided into three primary classifications:

- **Manufacturing** – a facility used for the conversion, fabrication and/or assembly of raw or partly wrought materials into products/goods. Manufacturing and Light Industrial properties are also often classified as Office Warehouse buildings.

- **Warehouse** – a facility primarily used for the storage and/or distribution of materials, goods, and merchandise and are commonly referred to as Bulk Warehouse or Warehouse/Distribution properties.

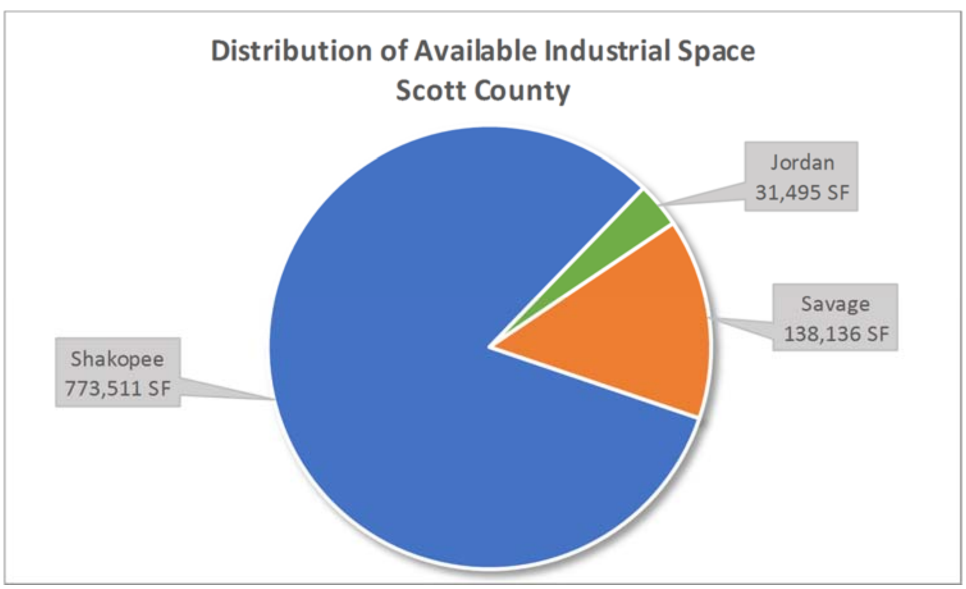
- **Flex** – an industrial building designed to allow its occupants flexibility of alternative uses of the space, usually in an industrial park setting. Flex properties are often used for research and development (R&D), laboratory space, light manufacturing, high-tech uses, data/call centers, or retail/showroom space. Flex buildings are also frequently labeled as Office Showroom.

The data is provided to show the types and amount of space available in the County along with pricing and product type. Data was collected by Maxfield Research from the Xceligent Commercial Property Exchange.

- Maxfield Research identified 16 properties with industrial space currently listed for lease in Scott County. Combined, these properties contain an inventory of roughly 1.4 million square feet with 943,000 square feet available for lease. Four other properties, totaling 432,876 square feet are being offered for sale to an owner/user.

- In addition to the actively-marketing properties, there are another 392 industrial properties located in Scott County, totaling 17.3 million square feet that are either fully-occupied or not marketing space for lease on Xceligent.

- Based on data in Xceligent, there are a total of 409 industrial properties in Scott County containing 18.7 million square feet of space, 1.4 million square feet of which is being actively-marketed as available for lease or for sale. With a 7.4% vacancy rate, it appears that the inventory of industrial space in Scott County is currently below equilibrium (10% vacancy).



- The largest concentration of space is in Shakopee, with nearly 774,000 square feet of available industrial space (82% of the total). With 138,000 square feet available, Savage contains 15% of the supply of available space, while 3% (31,500 square feet) is in Jordan.

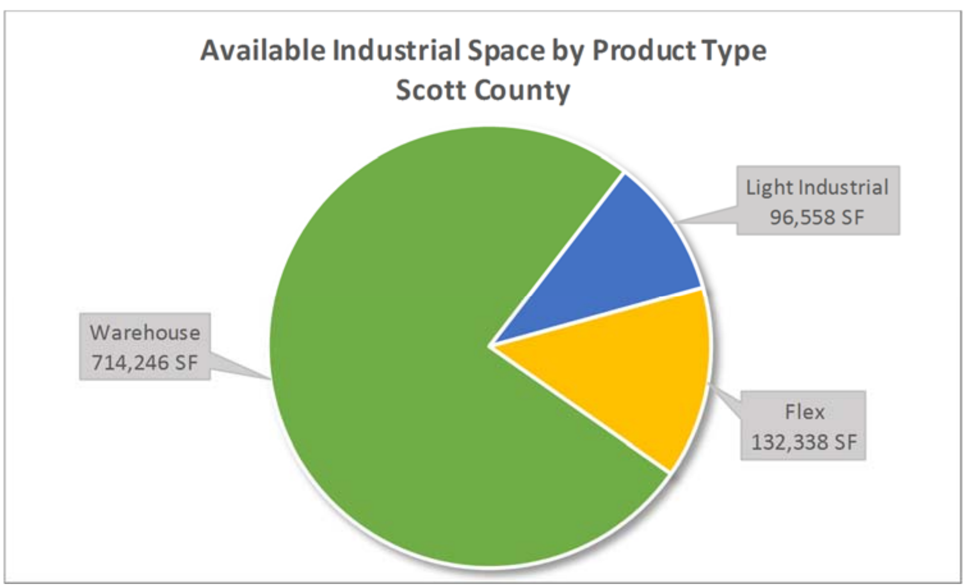
- The table also includes information on acreage and Floor Area Ratios (FAR) for the properties included in the survey. While the FAR varies greatly, the median FAR across the industrial properties in Scott County is 0.26. This FAR information is incorporated into our demand calculations presented in the next section of this study.

- The average net rent is roughly $4.75 per square foot for warehouse space and $9.15 for office space, with quoted net rental rates ranging from a low of $4.45 per square foot for warehouse space in the 1080 Park Place building in Shakopee to a high of $10.25 per square foot for office space at the recently-built Shakopee Industrial Center II.

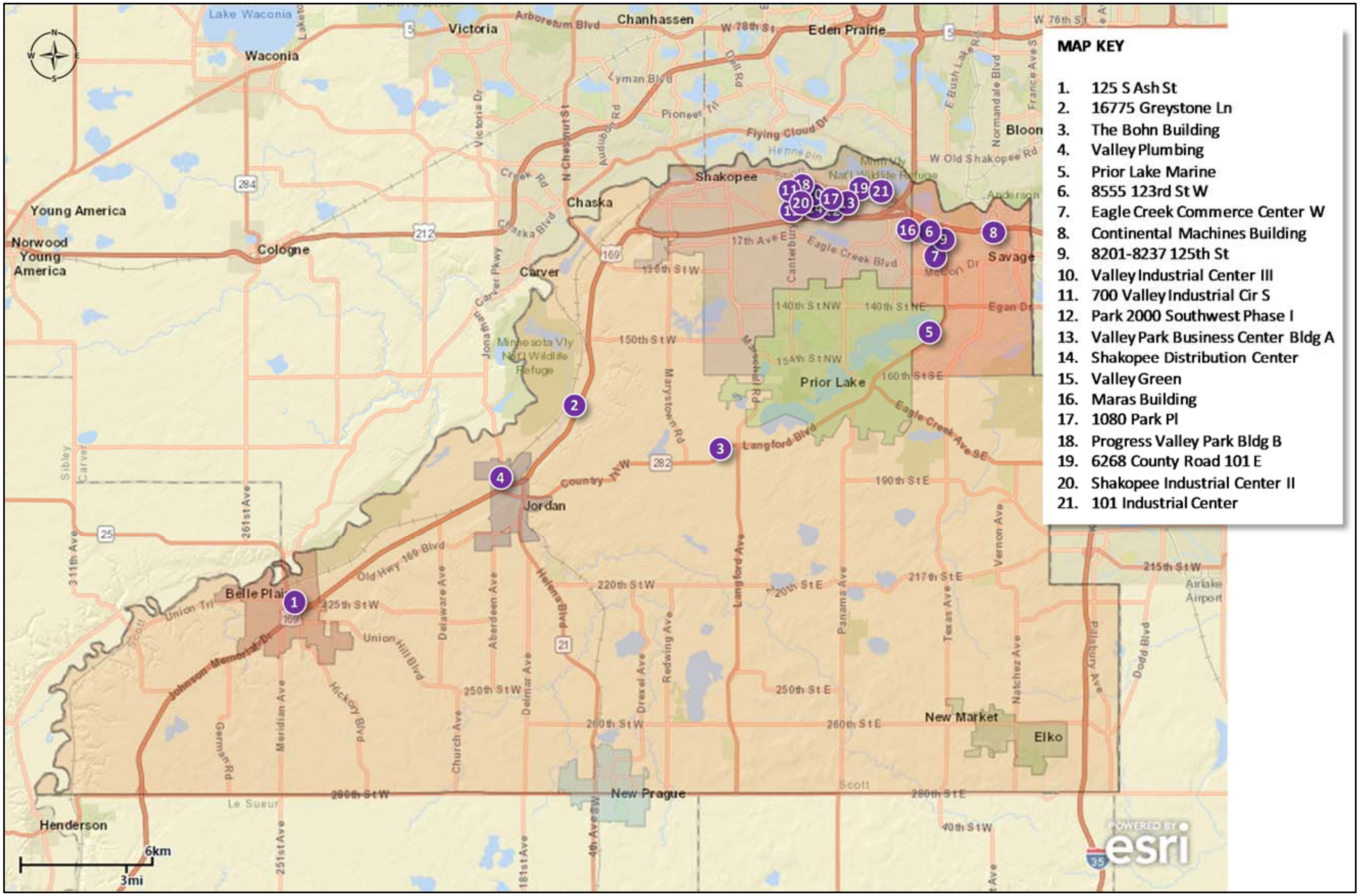
- Tenants in these properties also pay roughly $3.37 per square foot on average for taxes and operating expenses along with the base rent for the space, including roughly $1.69 per square for operating expenses and $1.68 per square foot for taxes.

- Roughly 44% of the buildings with space listed for lease in the County are classified as Warehouse-Distribution or Bulk Warehouse properties (seven buildings) and another 38% (six buildings) are Light Industrial. The remaining 19% (three buildings) are considered Flex/R&D properties.

- As depicted in the following graph, over three-quarters (76%) of the available space in Scott County is either Bulk Warehouse or Warehouse-Distribution space (714,000 square feet), while Flex/R&D space comprises 14% of the supply of available space (132,000 square feet). There is also 97,000 square feet of Light Industrial space available for lease in Scott County (10% of the total).



Available Industrial Space Map



Industrial Business Growth by Type of Business

In order to estimate demand for industrial space in the County, Maxfield Research and Consulting, LLC examines demand and supply trends affecting the industrial real estate market. In this section, we focus on demand trends – namely, business growth. The primary business sectors impacting demand for industrial real estate include Construction, Manufacturing, Wholesale Trade, and Transportation and Warehousing. The following definitions for these sectors are summarized from the U.S. Census Bureau 2007 NAICS definitions.

Construction

The construction sector comprises establishments primarily engaged in the construction of buildings or engineering projects (e.g., highways and utility systems). Establishments primarily engaged in the preparation of sites for new construction and establishments primarily engaged in subdividing land for sale as building sites also are included in this sector.

Manufacturing

The Manufacturing sector comprises establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products. The assembling of component parts of manufactured products is considered manufacturing. Establishments in the Manufacturing sector are often described as plants, factories, or mills and characteristically use power-driven machines and materials-handling equipment.

Wholesale Trade

The Wholesale Trade sector comprises establishments engaged in wholesaling merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. The wholesaling process is an intermediate step in the distribution of merchandise. Wholesalers sell merchandise to other businesses and normally operate from a warehouse or office, which are characterized by having little or no display of merchandise. In addition, neither the design nor the location of the premises is intended to solicit walk-in traffic.

Transportation and Warehousing

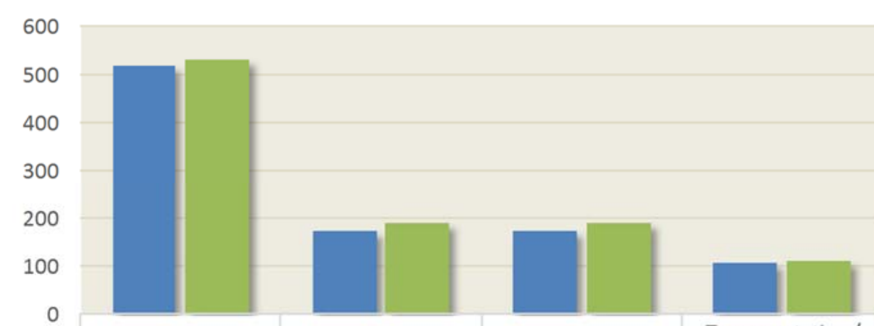
The Transportation and Warehousing sector includes industries providing transportation of passengers and cargo, warehousing and storage for goods, scenic and sightseeing transportation, and support activities related to modes of transportation. Warehousing establishments in this sector are distinguished from merchant wholesaling in that the warehouse establishments do not sell the goods.

Table MA-13 compares the distribution of typical industrial space-using businesses by number of employees in the Market Area in the years 2010 and 2014, the most recent information available. The data is extracted from the Business Register, a database of all known employer companies which is maintained and updated by the U.S. Census Bureau and is accumulated based on ZIP Code boundaries and by County based on the establishment's physical location. For this study, we include a targeted analysis of the composition of industrial businesses in Scott County as well as the major communities in the County.

While the industries shown do not represent all users of industrial space, these industries account for the majority of users. Growth in these sectors is an important indicator of total demand for industrial space and the size of businesses provides an indication of the type and sizes of spaces required.

- The number of businesses in these categories expanded from 980 in 2010 to 1,026 businesses in 2014 (4.7% increase over that time period). By comparison, the total number of business establishments operating in Scott County expanded from 3,074 in 2010 to 3,252 in 2014, an increase of 5.8% (+178 businesses). Business growth occurred in most industry sectors during that time period, although the most substantial growth occurred in the Health Care and Social Assistance sector, which gained 33 businesses (+15%).

- In 2014, Scott County had a total of 1,026 businesses which typically occupy industrial space (32% of all business establishments in the County). There were 532 businesses in the Construction sector, representing 52% of all of the businesses that would likely occupy industrial real estate. The Wholesale Trade sector comprised 192 business establishments (18.5%), while there were 190 Manufacturing businesses (18.5%). The Transportation and Warehousing sector accounted for 112 companies (11%).

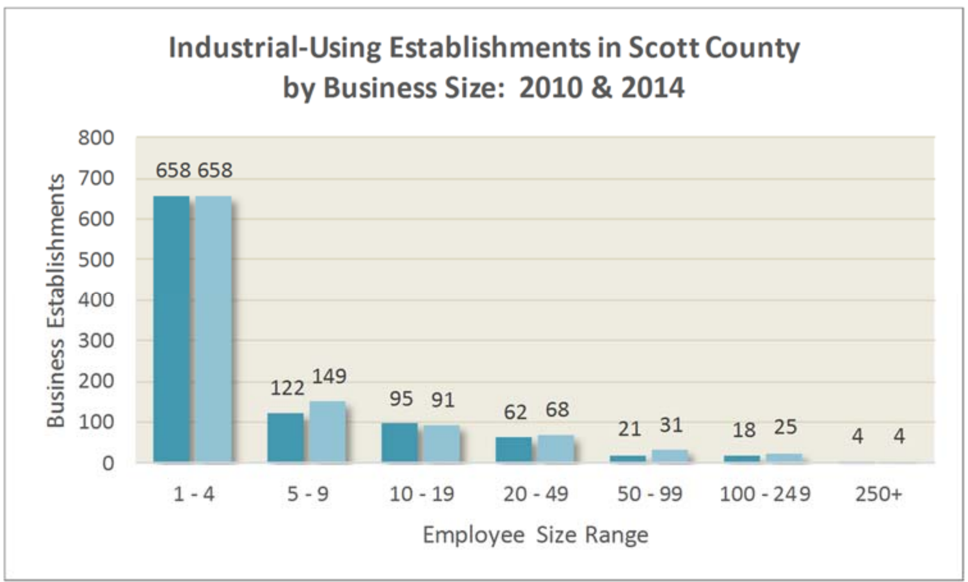


	Construction	Manufacturing	Wholesale Trade	Transportation/ Warehousing
2010	520	176	174	110
2014	532	190	192	112

- All four industry sectors experienced growth between 2010 and 2014, but the Wholesale Trade sector experienced the largest growth gaining 18 establishments (+10.3%). Manufacturing added 14 businesses (+8.0%), while the Construction sector gained 12 businesses (+2.3%) and the Transportation/Warehousing sector added two business establishments (+1.8%).

- Roughly 64% of the industrial businesses in Scott County had fewer than five employees in 2014, while 15% had five to nine employees and 9% had between 10 and 20 employees. Another 7% of the establishments employed between 20 and 50 people while nearly 6% of the industrial-using businesses in Scott County had 50 or more employees.

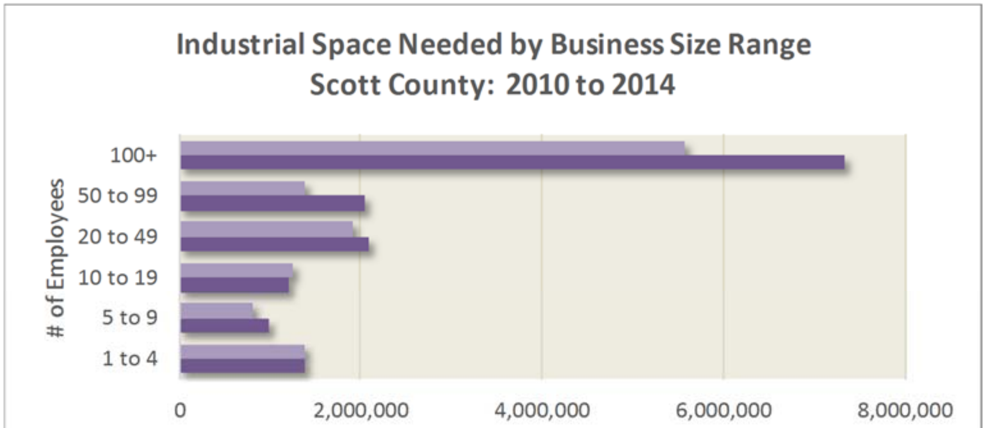
- Scott County experienced expansion in most business size ranges between 2010 and 2014, but the greatest growth occurred in the number of establishments with five to nine employees (+27 businesses, +22% growth), followed by businesses with 50 to 99 employees (+10 businesses, +48% growth).



- The chart on the following page shows an estimate of the total amount of industrial space needed to accommodate the businesses listed in the table by size of business in 2014 compared to 2010.

- The figures are based on an industry benchmark of roughly 1,100 square feet of industrial space occupied per employee. This estimate is based on information from a September 2009 report prepared for the NAIOP (National Association of Industrial and Office Professionals) Research Foundation titled: “Assessing Changing Employment Trends Driving Commercial Real Estate Development.” The report states that, as of 2007, there were 1,063 square feet of occupied industrial space per industrial employee in the Minneapolis/St. Paul Metropolitan Statistical Area.

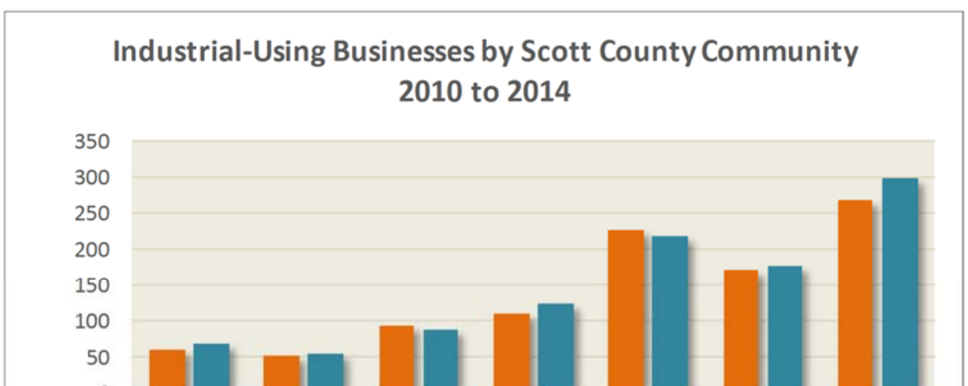
- The chart shows that about 15.0 million square feet was needed to accommodate all of the industrial businesses in 2014, a 22% increase from 2010 (12.3 million square feet needed). Growth occurred in the amount of space required to accommodate most business size ranges between 2010 and 2014, but the largest growth occurred in the amount of space required to accommodate the larger users in the County (100+ employees).



	1 to 4	5 to 9	10 to 19	20 to 49	50 to 99	100+
2010	1,375,220	805,200	1,254,000	1,909,600	1,386,000	5,566,000
2014	1,375,220	983,400	1,201,200	2,094,400	2,046,000	7,337,000

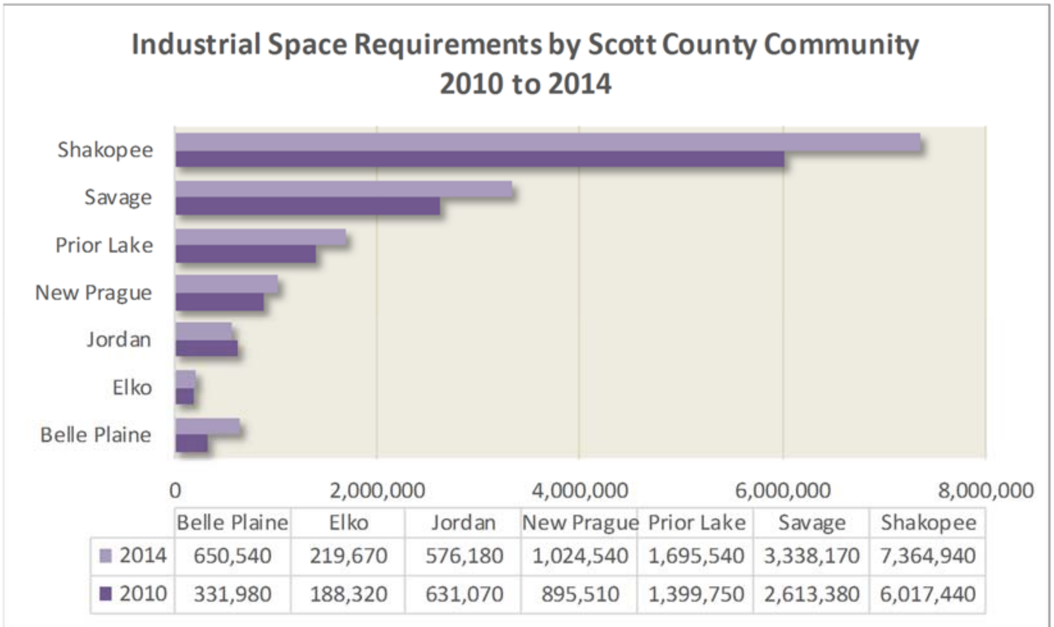
Table MA-14 presents the distribution of businesses that typically utilize industrial space for each of the major communities in Scott County for the years 2010 and 2014, the most recent data available. Data was obtained using the ZIP Codes which comprise each City.

- As depicted in the following graph, Shakopee contained the highest number of industrial-using businesses in the County with 299 in 2014 (29% of the total), followed by Prior Lake with 220 (21%) and Savage with 177 (14%).



	Belle Plaine	Elko	Jordan	New Prague	Prior Lake	Savage	Shakopee
2010	60	53	94	111	228	173	269
2014	69	55	88	125	220	177	299

- Growth occurred in the amount of space required to accommodate businesses that would typically utilize industrial space in most Scott County communities between 2010 and 2014, but the greatest growth occurred in Shakopee and Savage.



- Based on this data, it appears that business establishments located in Shakopee occupied approximately half of the industrial space needed in Scott County during 2014, while 22% of the space was needed to house businesses in Savage.

TABLE MA-11
INDUSTRIAL SPACE VACANCY AND ABSORPTION
TWIN CITIES METRO AREA
2014 - 2015

Market Sector	# of Bldgs	Total Rentable SF	Total Vacant SF	Vacancy Rate	Annual Absorption	Average Net Rent Warehouse	Average Net Rent Office
2015							
Northeast	386	33,582,799	2,737,943	8.2%	619,233	$4.44	$7.76
Northwest	313	28,449,785	3,234,393	11.4%	657,373	$4.68	$8.07
Southeast	216	17,150,264	1,431,401	8.3%	726,427	$4.64	$8.31
Southwest	**293**	**25,517,082**	**2,468,735**	**9.7%**	**1,670,254**	**$4.74**	**$8.42**
Market	**1,208**	**104,699,930**	**9,872,472**	**9.4%**	**3,673,287**	**$4.62**	**$8.10**
2014							
Northeast	378	34,368,386	3,047,834	8.9%	644,220	$4.30	$7.56
Northwest	303	26,592,671	2,252,505	8.5%	537,841	$4.60	$8.20
Southeast	207	16,664,287	1,586,726	9.5%	132,445	$4.54	$8.13
Southwest	**289**	**24,012,837**	**2,743,650**	**11.4%**	**563,541**	**$4.57**	**$8.35**
Market	**1,177**	**101,638,181**	**9,630,715**	**9.5%**	**1,878,047**	**$4.46**	**$7.96**

Note: Data includes multi-tenant industrial buildings larger than 20,000 square feet
Sources: Cushman & Wakefield|NorthMarq; Maxfield Research & Consulting, LLC

TABLE MA-12
INDUSTRIAL SPACE AVAILABLE FOR LEASE
SCOTT COUNTY
October 2016

Property Name/ Address	Bldg Size/ Avail SF	Acres/ FAR	Year Built/ Clear Height	Quoted Lease Rates Warehouse	Quoted Lease Rates Office	Taxes/SF Ops/SF	Specific Use
				Rate Type			
JORDAN							
16775 Greystone Ln	26,535	2.6	2003	Negotiable		--	Warehouse --
16775 Greystone Ln	16,000	0.24	20	Gross		--	Distribution
The Bohn Building	30,125	10.0	2007	$4.50	$8.00	--	Flex/R&D
18190 Dairy Ln	12,270	0.07	26	Net, Net, Net		$2.95	
Valley Plumbing	12,005	0.7	1980	$9.00	$15.00	--	Light Industrial
860 Quaker Ave	3,225	0.41	16	Gross		--	
SAVAGE							
8555 123rd St W	14,716	2.2	2004	$5.00	$10.00	--	Flex/R&D
8555 123rd St	6,068	0.15	18	Net		$6.00	
Eagle Creek Commerce Center West	132,068	9.8	2000	$5.00	$10.00	$2.03	Bulk Warehouse
8401 Eagle Creek Pkwy	132,068	0.31	24	Net, Net, Net		$1.47	
SHAKOPEE							
Valley Industrial Center III	80,000	10.0	1973	$4.50	$9.50	$1.89	Light Industrial
5240 Valley Industrial Blvd	39,855	0.18	18	Net, Net, Net		$1.47	
700 Valley Industrial Cir S	32,550	2.0	1984	$4.50	$8.50	--	Light Industrial
700 Valley Industrial Cir S	32,550	0.37	18	Net		$2.75	
Park 2000 Southwest Phase I	126,328	10.0	1997	$4.75	$9.75	$1.90	Warehouse --
1157 Valley Park Dr	56,289	0.29	24	Net, Net, Net		$1.27	Distribution
Valley Park Business Center Bldg A	197,956	6.0	2014	$4.75	--	$1.68	Bulk Warehouse
5651 Innovation Blvd	162,753	0.75	32	Net		$0.54	
Shakopee Distribution Center	105,713	6.7	1998	$4.50	$9.50	$1.85	Warehouse --
804 Valley Park Dr	105,713	0.36	32	Net		$0.70	Distribution
Valley Green	114,000	9.5	1998	$4.50	$9.00	$1.70	Flex/R&D
4895 12th Ave	114,000	0.28	19	Net		$0.77	
Maras Building	41,106	25.5	1999	$4.75	$8.75	--	Light Industrial
1465 Maras St	10,138	0.04	18	Net, Net, Net		$2.40	
1080 Park Pl	299,600	16.5	1994	$4.45	--	$1.26	Warehouse --
1080 Park Pl	200,000	0.42	38	Net		$0.58	Distribution
Progress Valley Park Bldg B	8,800	1.0	1980	$5.00	$8.50	$1.97	Light Industrial
660 Industrial Cir S	3,990	0.20	18	Net, Net, Net		$1.20	
6268 County Road 101 E	28,008	2.6	1982	$5.00	$8.00	$1.50	Light Industrial
6268 County Road 101 E	6,800	0.25	--	Net		$0.25	
Shakopee Industrial Center II	121,112	12.1	2015	$5.25	$10.25	$1.04	Bulk Warehouse
4551 12th Ave E	41,423	0.23	32	Net		$1.28	

Sources: Xceligent; Maxfield Research & Consulting, LLC

TABLE MA-13
INDUSTRIAL-USING BUSINESSES BY INDUSTRY AND SIZE OF BUSINESS
SCOTT COUNTY
2010 and 2014

	--------- Industry Sector ----------				Total	
# of Employees	Construction	Manufacturing	Wholesale Trade	Transportation/ Warehousing	No.	Pct.
2010						
1 to 4	410	77	100	71	658	67.1
5 to 9	54	33	24	11	122	12.4
10 to 19	26	30	27	12	95	9.7
20 to 49	23	14	15	10	62	6.3
50 to 99	4	9	4	4	21	2.1
100 to 249	3	9	4	2	18	1.8
250 or more	0	4	0	0	4	0.4
Total	**520**	**176**	**174**	**110**	**980**	**100.0**
2014						
1 to 4	396	79	106	77	658	64.1
5 to 9	67	33	35	14	149	14.5
10 to 19	38	27	18	8	91	8.9
20 to 49	18	21	20	9	68	6.6
50 to 99	7	14	8	2	31	3.0
100 to 249	5	13	5	2	25	2.4
250 or more	1	3	0	0	4	0.4
Total	**532**	**190**	**192**	**112**	**1,026**	**100.0**

Sources: Bureau of the Census, County Business Patterns; Maxfield Research & Consulting, LLC

TABLE MA-14
INDUSTRIAL-USING BUSINESSES BY INDUSTRY AND SIZE OF BUSINESS
SCOTT COUNTY COMMUNITY COMPARISON
2010 and 2014

	--------- Industry Sector ----------											
# of Employees	Construction		Manufacturing		Wholesale Trade		Transportation/ Warehousing		2010 Total		2014 Total	
	2010	2014	2010	2014	2010	2014	2010	2014	No.	Pct.	No.	Pct.
Belle Plaine (56011 ZIP Code)												
1 to 4	22	25	7	7	5	4	8	10	42	70.0	46	66.7
5 to 9	4	4	0	2	1	2	2	1	7	11.7	9	13.0
10 to 19	3	3	5	6	0	0	0	0	8	13.3	9	13.0
20 to 49	1	2	0	1	1	0	1	1	3	5.0	4	5.8
50 to 99	0	0	0	0	0	0	0	0	0	0.0	0	0.0
100 to 249	0	0	0	1	0	0	0	0	0	0.0	1	1.4
250 or more	0	0	0	0	0	0	0	0	0	0.0	0	0.0
Total	**30**	**34**	**12**	**17**	**7**	**6**	**11**	**12**	**60**	100.0	**69**	100.0
Elko-New Market (55020 & 55054 ZIP Codes)												
1 to 4	35	31	6	6	3	4	4	2	48	90.6	43	78.2
5 to 9	0	3	0	0	2	2	0	2	2	3.8	7	12.7
10 to 19	0	2	1	1	0	1	0	0	1	1.9	4	7.3
20 to 49	1	1	0	0	1	0	0	0	2	3.8	1	1.8
50 to 99	0	0	0	0	0	0	0	0	0	0.0	0	0.0
100 to 249	0	0	0	0	0	0	0	0	0	0.0	0	0.0
250 or more	0	0	0	0	0	0	0	0	0	0.0	0	0.0
Total	**36**	**37**	**7**	**7**	**6**	**7**	**4**	**4**	**53**	100.0	**55**	100.0
Jordan (55352 ZIP Code)												
1 to 4	39	36	5	3	5	6	14	17	63	67.0	62	70.5
5 to 9	5	4	4	1	3	3	1	3	13	13.8	11	12.5
10 to 19	2	2	4	4	3	1	3	0	12	12.8	7	8.0
20 to 49	1	1	3	5	0	0	0	1	4	4.3	7	8.0
50 to 99	1	1	1	0	0	0	0	0	2	2.1	1	1.1
100 to 249	0	0	0	0	0	0	0	0	0	0.0	0	0.0
250 or more	0	0	0	0	0	0	0	0	0	0.0	0	0.0
Total	**48**	**44**	**17**	**13**	**11**	**10**	**18**	**21**	**94**	100.0	**88**	100.0
New Prague (56071 ZIP Code)												
1 to 4	53	57	7	8	9	9	10	12	79	71.2	86	68.8
5 to 9	9	11	4	6	5	2	1	2	19	17.1	21	16.8
10 to 19	2	5	3	3	2	2	0	0	7	6.3	10	8.0
20 to 49	0	0	1	1	1	3	0	0	2	1.8	4	3.2
50 to 99	0	0	3	3	0	0	0	0	3	2.7	3	2.4
100 to 249	0	0	1	0	0	0	0	0	1	0.9	0	0.0
250 or more	0	0	0	1	0	0	0	0	0	0.0	1	0.8
Total	**64**	**73**	**19**	**22**	**17**	**16**	**11**	**14**	**111**	100.0	**125**	100.0

----- continued -----

TABLE MA-14 continued
INDUSTRIAL-USING BUSINESSES BY INDUSTRY AND SIZE OF BUSINESS
SCOTT COUNTY COMMUNITY COMPARISON
2010 and 2014

	--------- Industry Sector ----------											
# of Employees	Construction		Manufacturing		Wholesale Trade		Transportation/ Warehousing		2010 Total		2014 Total	
	2010	2014	2010	2014	2010	2014	2010	2014	No.	Pct.	No.	Pct.
Prior Lake (55372 ZIP Code)												
1 to 4	114	107	15	18	33	26	13	15	175	76.8	166	75.5
5 to 9	13	16	7	6	0	3	3	2	23	10.1	27	12.3
10 to 19	7	9	3	2	5	0	0	1	15	6.6	12	5.5
20 to 49	7	4	1	2	0	0	6	4	14	6.1	10	4.5
50 to 99	0	2	0	1	0	0	0	0	0	0.0	3	1.4
100 to 249	1	2	0	0	0	0	0	0	1	0.4	2	0.9
250 or more	0	0	0	0	0	0	0	0	0	0.0	0	0.0
Total	**142**	**140**	**26**	**29**	**38**	**29**	**22**	**22**	**228**	100.0	**220**	100.0
Savage (55378 ZIP Code)												
1 to 4	59	47	18	16	17	21	8	9	102	59.0	93	52.5
5 to 9	10	15	8	9	7	9	0	1	25	14.5	34	19.2
10 to 19	5	11	7	7	6	4	4	2	22	12.7	24	13.6
20 to 49	6	3	2	3	3	6	0	0	11	6.4	12	6.8
50 to 99	3	2	1	3	4	2	1	0	9	5.2	7	4.0
100 to 249	0	0	3	4	1	2	0	0	4	2.3	6	3.4
250 or more	0	1	0	0	0	0	0	0	0	0.0	1	0.6
Total	**83**	**79**	**39**	**42**	**38**	**44**	**13**	**12**	**173**	100.0	**177**	100.0
Shakopee (55379 ZIP Code)												
1 to 4	85	91	24	29	27	29	20	17	156	58.0	166	55.5
5 to 9	12	15	9	8	8	12	5	4	34	12.6	39	13.0
10 to 19	7	8	8	5	11	11	5	5	31	11.5	29	9.7
20 to 49	7	7	6	9	10	12	3	3	26	9.7	31	10.4
50 to 99	0	2	5	7	0	6	2	2	7	2.6	17	5.7
100 to 249	2	3	5	8	3	3	1	1	11	4.1	15	5.0
250 or more	0	0	4	2	0	0	0	0	4	1.5	2	0.7
Total	**113**	**126**	**61**	**68**	**59**	**73**	**36**	**32**	**269**	100.0	**299**	100.0

Sources: Bureau of the Census, County Business Patterns; Maxfield Research & Consulting, LLC

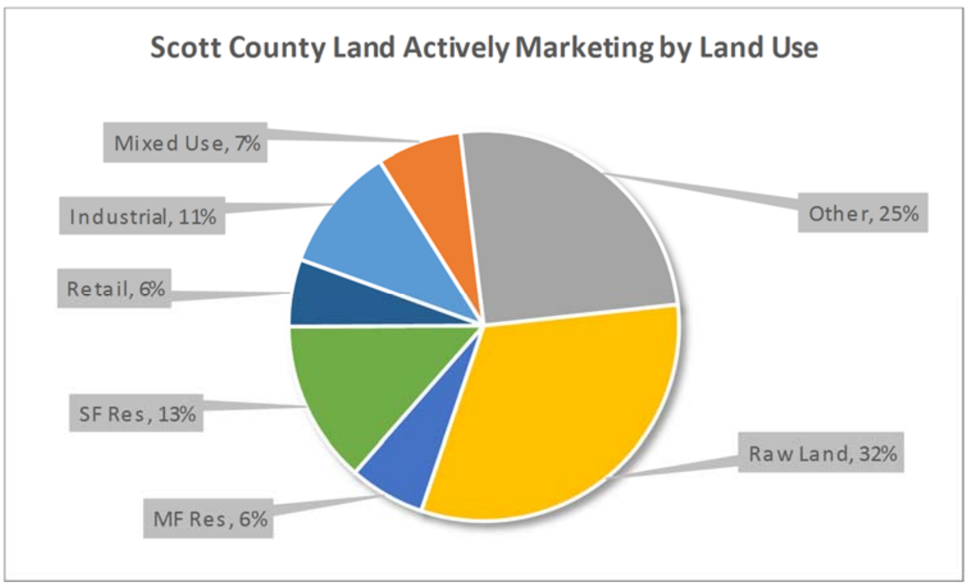
Land Market Conditions

Tables MA-15 through MA-17 show land currently listed as available for sale in Scott County, as well as recent land sale trends in the County. The data is provided to show the amount of land available in the County along with pricing and absorption trends. Data was collected by Maxfield Research from the Xceligent Commercial Property Exchange.

Actively Marketing Land

- There are currently 71 land listings in Scott County, totaling 1,850 acres for sale. On average, land is listed for $4.14 per square foot ($180,347 per acre), which is roughly -47% lower than the average per square foot price across the seven-county Twin Cities Metro Area ($7.77 per square foot).

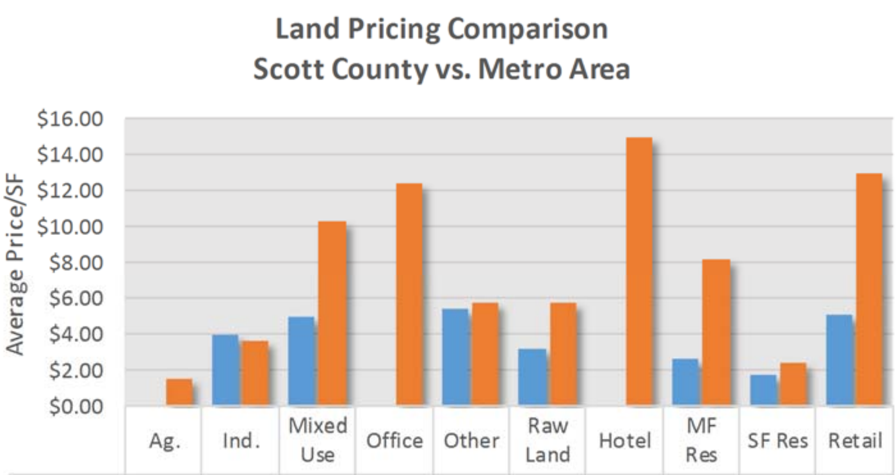
- As depicted in the following chart, roughly 32% of the land listed for sale in the County is classified as “raw land” (591 acres), while 25% is classified as “other” (466 acres). Single-family residential land comprises 13% of the available acreage (249 acres) in the County, while 11% of the available land is marketed for industrial uses (194 acres).



- As shown below, Prior Lake is the most active submarket in Scott County with 17 land listings, totaling 505 acres for sale (27% of the County total), followed by Elko New Market with 495 acres for-sale (27%) and Shakopee with 264 acres for-sale (14%).

Submarket	Listings	Acres	Submarket	Listings	Acres
Belle Plaine	7	90.9	Prior Lake	17	505.6
Elko New Market	14	495.0	Savage	11	92.6
Jordan	7	158.1	Shakopee	12	264.3
New Prague	2	86.5	Townships	1	157.4

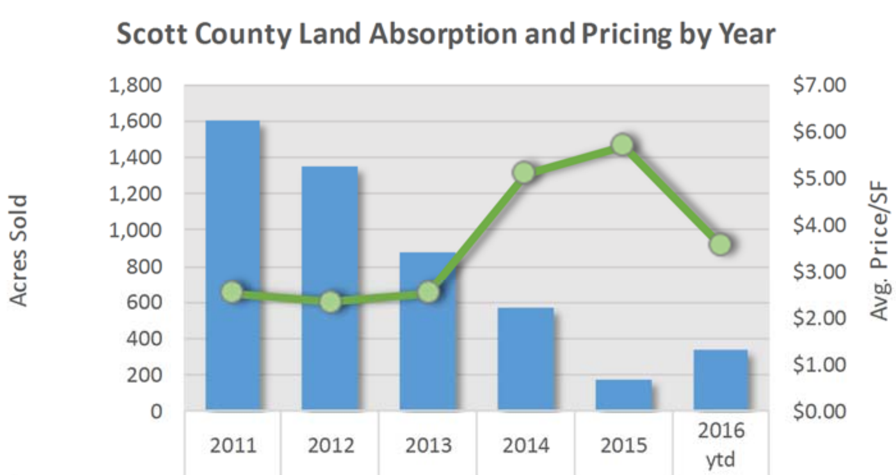
- As illustrated in the following chart, except for land marketed for industrial use, the average per square foot pricing is lower for land in Scott County than in the Metro Area for all other land use categories.



	Ag.	Ind.	Mixed Use	Office	Other	Raw Land	Hotel	MF Res	SF Res	Retail
Scott Co	$0.00	$3.99	$4.99	$0.00	$5.47	$3.22	$0.00	$2.63	$1.78	$5.15
Metro	$1.50	$3.63	$10.29	$12.43	$5.80	$5.71	$15.03	$8.16	$2.44	$12.94

Land Absorption

- The following graph depicts land sales volume and pricing trends in Scott County from 2011 through October 2016. As shown, land sales volume declined steadily from 1,604 acres sold in 24 transactions in 2011 to 171 acres sold in 2015 (11 transactions). Sales volume increased to 345 acres sold through the first ten months of 2016. Pricing, however, increased from an average of $2.53 per square foot in 2011 to $5.69 per square foot in 2015.



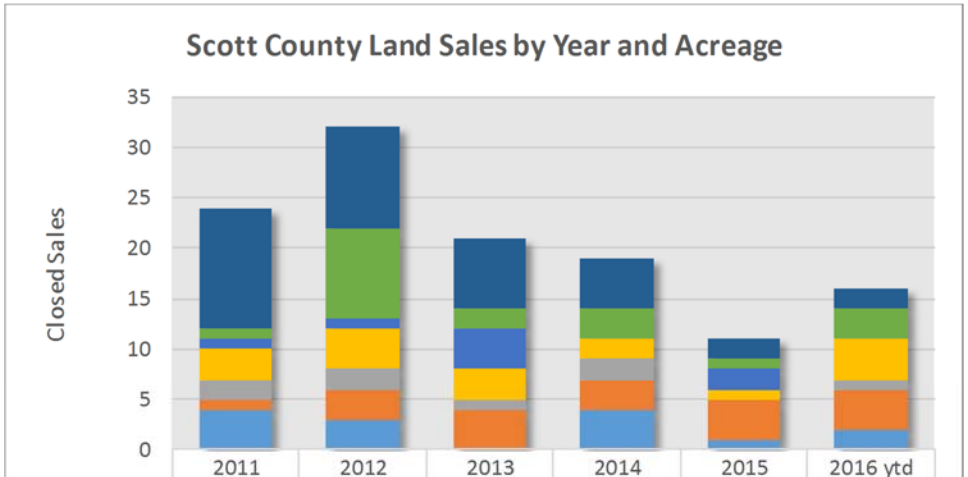
	2011	2012	2013	2014	2015	2016 ytd
Acres Sold	1,604	1,352	877	576	171	345
Avg. $/SF	$2.53	$2.33	$2.53	$5.10	$5.69	$3.58

- Table MA-16 provides detailed information on the number of sales and average pricing by submarket and land use classification in Scott County for land sales closed between January 1, 2015 and October 31, 2016.

- Demand for land was highest in Shakopee, with 11 sale transactions totaling 169 acres of land sold at an average price of $4.98 per square foot.

- Land pricing was highest for retail land during that time period, at an average sale price of $7.56 per square foot (five transactions totaling 37 acres), followed by office land at $6.15 per square foot (a single one-acre transaction).

- Table MA-17 and the following graph summarize sales trends by parcel size in Scott County from 2011 through October 2016.



	2011	2012	2013	2014	2015	2016 ytd
50+ ac.	12	10	7	5	2	2
20-50 ac.	1	9	2	3	1	3
10-20 ac.	1	1	4	0	2	0
5-10 ac.	3	4	3	2	1	4
3-5 ac.	2	2	1	2	0	1
1-3 ac.	1	3	4	3	4	4
<1 ac.	4	3	0	4	1	2

- Roughly 31% of all land sales from 2011 through October 2016 were for parcels 50 acres or larger, with 38 total transactions. Parcels between one and three acres accounted for 15% of land sales (19 sales), as did parcels between 20 and 50 acres. Approximately 14% of the sales were for parcels between five and ten acres (17 sales).

TABLE MA-15
ACTIVELY MARKETING LAND PRICING COMPARISON
SCOTT COUNTY & METRO AREA
October 2016

	Scott County				Metro Area	
Land Use Classification	Listings	Acres	Avg. Price/ Sq. Ft.	Avg. Price/ Acre	Avg. Price/ Sq. Ft.	Avg. Price/ Acre
Agriculture	--	--	--	--	$1.50	$65,395
Industrial	9	194.3	$3.99	$173,890	$3.63	$158,076
Mixed use	13	130.0	$4.99	$217,486	$10.29	$448,190
Office	--	--	--	--	$12.43	$541,250
Other	12	466.1	$5.47	$238,472	$5.80	$252,540
Raw Land	13	590.6	$3.22	$140,222	$5.71	$248,859
Residential - Hotel/Motel	--	--	--	--	$15.03	$654,570
Residential - Multifamily	4	116.3	$2.63	$114,658	$8.16	$355,531
Residential - Single-family	7	248.8	$1.78	$77,490	$2.44	$106,287
Retail	13	104.3	$5.15	$224,438	$12.94	$563,667
Total:	**71**	**1,850**	**$4.14**	**$180,347**	**$7.77**	**$338,469**

Sources: Xceligent; Maxfield Research & Consulting, LLC

TABLE MA-16
LAND SALE TRANSACTIONS BY SUBMARKET AND LAND USE
SCOTT COUNTY
January 1, 2015 through October 31, 2016

	No. of Sales	Acres Sold	Avg. Price/ Sq. Ft.	Avg. Price/ Acre
Land Sales by Submarket				
Elko New Market	1	25.3	$0.09	$3,949
Jordan	1	1.9	$0.99	$43,158
New Prague	3	70.3	$1.38	$60,060
Prior Lake	7	176.9	$3.07	$133,563
Savage	3	19.1	$12.73	$554,380
Shakopee	11	168.9	$4.98	$216,822
Townships	1	54.2	$0.30	$13,182
Land Sales by Land Use Classification				
Agriculture	1	65.0	$0.16	$7,077
Industrial	5	90.8	$2.80	$121,808
Mixed use	1	1.5	$1.52	$66,226
Office	1	1.1	$6.15	$267,858
Other	5	168.3	$3.99	$173,693
Raw Land	7	147.6	$5.20	$226,584
Residential - Multifamily	1	0.6	$3.83	$166,667
Residential - Single-family	1	4.7	$0.15	$6,438
Retail	5	37.0	$7.56	$329,147
Total Sales:	**27**	**516.5**	**$4.44**	**$193,466**

Sources: Xceligent; Maxfield Research & Consulting, LLC

TABLE MA-17
LAND ABSORPTION BY ACREAGE AND YEAR
SCOTT COUNTY
2011 - 2016 ytd

	2011		2012		2013		2014		2015		2016 ytd*	
Transactions	**No.**	**Acres**	**No.**	**Acres**	**No.**	**Acres**	**No.**	**Acres**	**No.**	**Acres**	**No.**	**Acres**
<1 acre	4	3.3	3	1.8	0	0.0	4	1.2	1	0.9	2	1.3
1 - 2.99 acres	1	1.1	3	5.9	4	8.5	3	6.2	4	5.8	4	6.4
3 - 4.99 acres	2	7.9	2	7.2	1	3.5	2	6.8	0	0.0	1	4.7
5 - 9.99 acres	3	17.0	4	32.7	3	18.0	2	10.0	1	6.1	4	29.9
10 - 19.99 acres	1	10.0	1	19.7	4	61.9	0	0.0	2	28.1	0	0.0
20 - 49.99 acres	1	30.0	9	309.0	2	66.4	3	134.1	1	25.3	3	79.9
50+ acres	12	1,535.0	10	975.6	7	718.3	5	417.8	2	105.2	2	222.9
Total	**24**	**1,604**	**32**	**1,352**	**21**	**877**	**19**	**576**	**11**	**171**	**16**	**345**
Percent of Total	**No.**	**Acres**	**No.**	**Acres**	**No.**	**Acres**	**No.**	**Acres**	**No.**	**Acres**	**No.**	**Acres**
<1 acre	16.7%	0.2%	9.4%	0.1%	0.0%	0.0%	21.1%	0.2%	9.1%	0.5%	12.5%	0.4%
1 - 2.99 acres	4.2%	0.1%	9.4%	0.4%	19.0%	1.0%	15.8%	1.1%	36.4%	3.4%	25.0%	1.9%
3 - 4.99 acres	8.3%	0.5%	6.3%	0.5%	4.8%	0.4%	10.5%	1.2%	0.0%	0.0%	6.3%	1.4%
5 - 9.99 acres	12.5%	1.1%	12.5%	2.4%	14.3%	2.1%	10.5%	1.7%	9.1%	3.6%	25.0%	8.7%
10 - 19.99 acres	4.2%	0.6%	3.1%	1.5%	19.0%	7.1%	0.0%	0.0%	18.2%	16.4%	0.0%	0.0%
20 - 49.99 acres	4.2%	1.9%	28.1%	22.9%	9.5%	7.6%	15.8%	23.3%	9.1%	14.8%	18.8%	23.2%
50+ acres	50.0%	95.7%	31.3%	72.2%	33.3%	81.9%	26.3%	72.5%	18.2%	61.4%	12.5%	64.6%

*through October 31, 2016

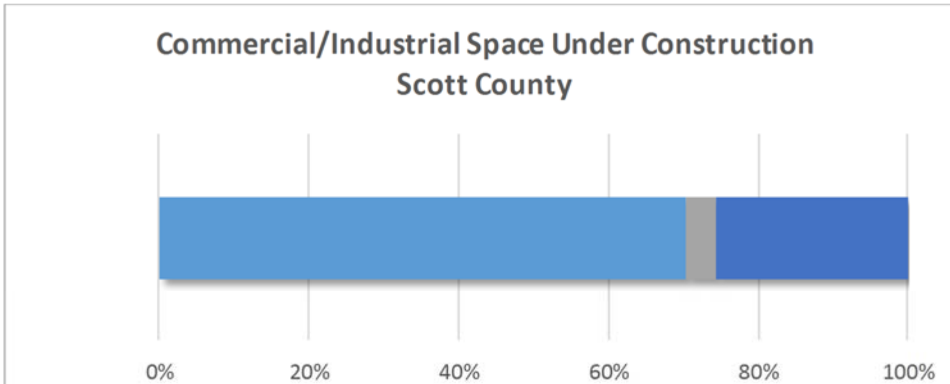
Sources: Xceligent; Maxfield Research & Consulting, LLC

Pending Commercial/Industrial Developments

Maxfield Research and Consulting, LLC interviewed community development and planning staff in Scott County communities to determine the amount of commercial and industrial space that is currently under construction or planned in the County. Elko New Market did not provide information; however, we included project data for Elko New Market which was obtained from secondary resources. Table MA-18 on the following pages summarize the findings.

- In total, 32 pending commercial and industrial developments in the County were identified, totaling 3.6 million square feet of space. These developments include 19 projects with nearly 840,000 square feet of space under construction. Six other projects, totaling 190,000 square feet, are approved, and seven projects with 2.5 million square feet of space (and 57 hotel rooms) are proposed.

- As depicted in the following graph, most of the space currently under construction is industrial space (481,000 square feet). There is also 175,000 square feet of retail space and 27,000 square feet of medical office space under construction.



	Square Feet
Industrial	481,324
Office	26,900
Retail	175,461

- Nearly half (49%) of the pending product in Scott County is located in the City of Shakopee, with nearly 1.8 million square feet of space, including over 608,000 square feet of space under construction and 1.04 million square feet approved or proposed. Elko New Market contains 42% of the pending product in the 118-acre Park I35 industrial park which could support approximately 1.5 million square feet of industrial space.

- Roughly 6% of the pending commercial and industrial space is in Savage (195,830 square feet) and 2% is located in Prior Lake (65,500 square feet). There is nearly 28,000 square feet under construction in New Prague (1%) and 23,000 square feet of medical office space under construction in Belle Plaine (0.5%).

TABLE MA-18
PENDING COMMERCIAL/INDUSTRIAL DEVELOPMENTS
SCOTT COUNTY
October 2016

Project	Location	Type	Status	Sq. Ft.	Description
Belle Plaine					
Ridgeview Medical Center Health Campus	Hwy 169 at Meridian St	Office	Under Construction	12,900	Medical clinic
Ridgeview Medical Center Health Campus	Hwy 169 at Meridian St	Office	Under Construction	10,000	Health and wellness center
			Subtotal:	**22,900**	
Elko New Market					
Park I35	I-35 at 260th Street E	Industrial	Proposed	1,500,000	118-acre industrial park
			Subtotal:	**1,500,000**	
Jordan					
SM Hentges & Sons Inc.	821 Corporate Drive	Industrial	Approved	4,681	Expansion
Clancy's Restaurant	220 Triangle Ln	Commercial	Approved	5,400	Restaurant relocation and expansion
GrandStay Hotel	230 Triangle Ln	Commercial	Proposed	57 rooms	In planning approval process
			Subtotal:	**10,081**	
New Prague					
New Prague Business Park Lot 2	Hwy 21 at 6th St NW	Industrial	Under Construction	11,000	Office Showroom Building
New Prague Business Park	Hwy 21 at 6th St NW	Industrial	Approved	8 Lots	Industrial Park
503 6th Ave Addition	503 6th Ave SW	Industrial	Under Construction	920	Addition to industrial building
Great River Energy	906 6th St NW	Industrial	Under Construction	16,000	Storage addition to existing building
			Subtotal:	**27,920**	
Prior Lake					
Deerfield Industrial Park	Adelmann Street SE	Industrial	Under Construction	58,000	Versatile Vehicles warehouse
Bendzick Addition	Panama Ave SE at Hwy 13	Commercial	Under Construction	7,500	Relocation of auto repair shop
			Subtotal:	**65,500**	
Savage					
Trend Lab	8885 Hwy 101	Industrial	Approved	42,000	Office Warehouse Building
Highmark Builders	8720 Eagle Creek Pkwy	Industrial	Approved	38,969	Office Warehouse Building
Hy-Vee	6150 Egan Dr	Retail	Under Construction	102,641	New grocery and convenience store
Ridgecrest Marketplace	14000 Hwy 13	Retail	Under Construction	12,220	Two-building commercial development
			Subtotal:	**195,830**	

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TABLE MA-18 continued
PENDING COMMERCIAL/INDUSTRIAL DEVELOPMENTS
SCOTT COUNTY
October 2016

Project	Location	Type	Status	Sq. Ft.	Description
Shakopee					
Canterbury Business Park North	4th Ave E at Canterbury Rd	Industrial	Proposed	410,000	Two industrial buildings
Gateway South - Phases II and III	Hwy 101 at Shenandoah Dr	Industrial	Proposed	438,000	Industrial park
Cherne Contracting	Stagecoach Rd	Industrial	Proposed	19,500	Expansion
Trystar	Dean Lakes Blvd	Industrial	Proposed	175,000	Headquarters and manufacturing facility
Shakopee Brew Hall	126 E 1st Avenue	Retail	Proposed	NA	New craft brewery
Hy-Vee	County Rd 15 at Vierling Dr	Retail	Approved	99,300	New grocery and convenience store
Gateway South - Milestone AV Tech	Hwy 101 at Shenandoah Dr	Industrial	Under Construction	242,004	Warehouse building
Valley Park Business Center 3rd Addition	750 Innovation Dr	Industrial	Under Construction	122,400	Office warehouse building
Compass Data Center	Dean Lakes Blvd	Industrial	Under Construction	89,000	Phase II construction for data center
MMPA Shakopee Energy Park	Vierling Dr at Eagle Creek Blvd	Institutional	Under Construction	14,400	Power generation facility
Oak Leaf Solar Garden Phase II	6957 County Rd 101 E	Institutional	Under Construction	NA	Solar garden facility
SMSC Cultural Center	County Rd 83 at Valley View Rd	Institutional	Under Construction	76,000	History center for SMSC
Shakopee Dental	Dean Lakes Blvd	Office	Under Construction	4,000	New dentist office
Marcus Theatres	County Rd 21 at Hansen Ave	Retail	Under Construction	54,000	Ten-screen theatre
Caribou/Einstein	County Rd 21 at Hansen Ave	Retail	Under Construction	2,600	New restaurants
Sherwin Williams	Old Carriage Ct	Retail	Under Construction	4,000	New store
			Subtotal:	**1,750,204**	
Townships					
No projects pending	--	--	--	--	--
			Subtotal:	**0**	
			Scott County Total:	**3,572,435**	
			Scott County Under Construction:	839,585	
			Scott County Planned/Proposed:	2,732,850	

Sources: Scott County community planning departments; Maxfield Research & Consulting, LLC

Demand Analysis

Introduction

Previous sections of this study analyzed demographic and economic trends driving industrial and commercial real estate development, market conditions, and the supply of available retail, office and industrial space in Scott County. Based on these findings, we estimate demand for future retail, office, and industrial real estate development in Scott County between 2015 and 2040.

The Demand Analysis section of the study provides demand calculations for each major community in Scott County, including:

- Retail development potential;
- Office development potential;
- Industrial demand estimates;
- Commercial real estate broker interviews addressing demand in the County; and,
- A summary of major economic drivers that will impact future demand in the County.

Detailed tables presenting our demand calculations are provided at the end of each subsection.

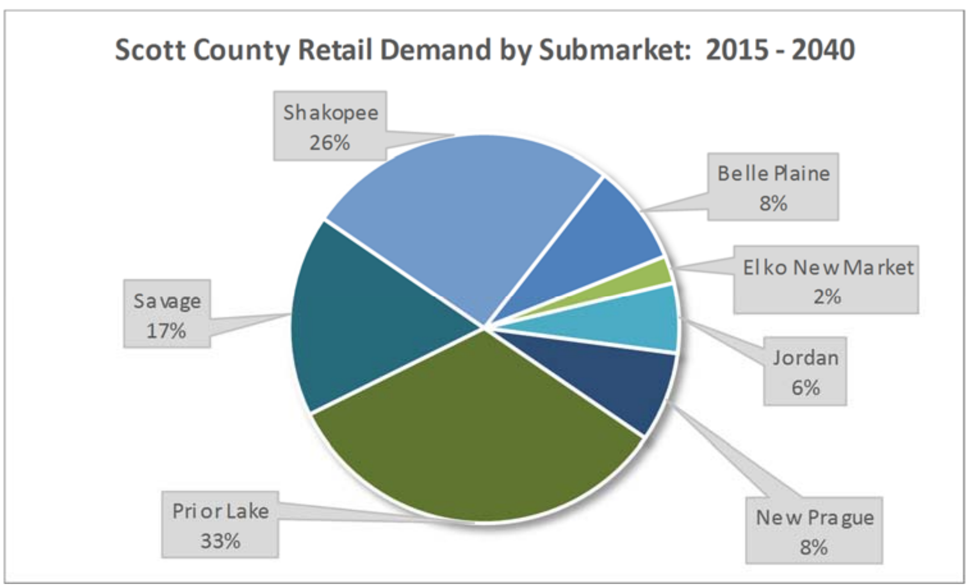
Retail Development Potential

Demand for additional retail space, measured in gross leasable space in square feet, is calculated in the table on the following page which combines demand information with supply to calculate the amount of retail space supportable in Scott County. Sources of data used in the calculations include the Metropolitan Council and Maxfield Research (household growth trends), and ESRI (consumer expenditure). The demand calculation begins with household growth projections combined with an estimate of the total expenditures for retail goods and services by residents in each submarket of Scott County, excluding expenditures for automobiles, homes, finance and insurance, education, and travel. We anticipate that the primary source of demand for new retail space in the County will be generated by household and consumer expenditure growth in the County.

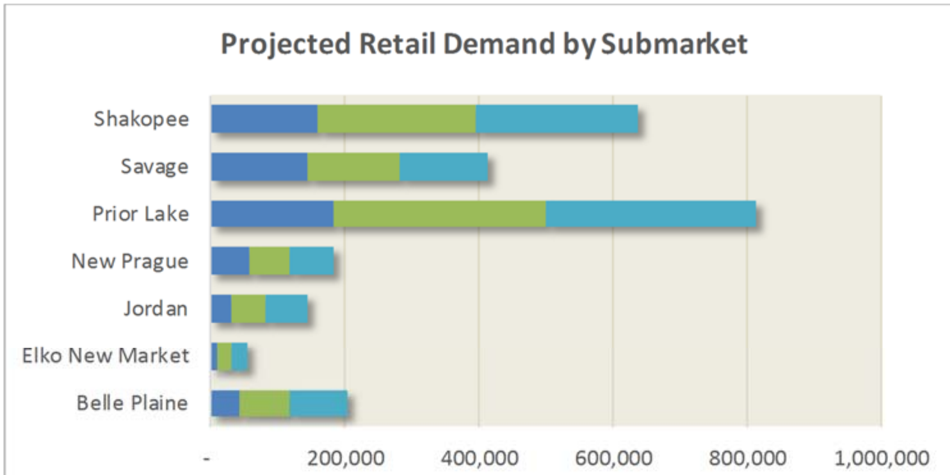
- Due to growth in the household base and accounting for inflation, as well as projected increases in household income, overall retail expenditures by Scott County residents are expected to increase between 2015 and 2040. Deducting leakage from total Trade Area expenditures results in purchasing power that will be retained in each Submarket.

- Accounting for inflation, we anticipate that the average retail sales per square foot will increase from an estimated $292 in 2015 to $318 in 2020 and $450 in 2040. The retail sales per square foot reflects an average across neighborhood shopping centers in the Midwest and is based on information published in the "Dollars & Cents of Shopping Centers" prepared by the International Council of Shopping Centers and the Urban Land Institute.

- Dividing purchasing power by average retail sales per square foot equates to total demand for new retail space in each Scott County submarket between 2015 and 2040. We estimate that there will be demand for nearly 2.5 million square feet of new retail space in the County between 2015 and 2040.



- Retailers typically follow rooftop growth, so we anticipate that the strongest growth in retail demand will occur in the Prior Lake and Shakopee submarkets which are projected to add 6,200 and 5,238 households between 2015 and 2040, respectively. Depending on land availability, demand may spill over into adjacent communities. The following graph illustrates projected growth in retail demand by Scott County submarket by time period, including; 2015 to 2020, 2020 to 2030, and 2030 to 2040.



	Belle Plaine	Elko New Market	Jordan	New Prague	Prior Lake	Savage	Shakopee
2015-2020	42,252	11,578	30,076	57,364	184,236	145,764	158,805
2020-2030	76,800	19,377	52,908	61,265	315,155	135,452	235,327
2030-2040	86,508	25,559	60,834	64,733	313,452	133,331	243,949

- Based on our demand methodology, we find that there will be demand for additional retail space in each Scott County submarket between 2015 and 2040, as shown below:

  - 206,000 square feet of space in Belle Plaine;
  - 56,500 square feet in Elko New Market;
  - 144,000 square feet in Jordan;
  - 183,000 square feet in New Prague;
  - 813,000 square feet in Prior Lake;
  - 415,000 square feet in Savage; and,
  - 638,000 square feet in Shakopee.

- These estimates reflect demand growth generated from local households for goods and services. Additional retail space could potentially be supported in the County if the retail tenant mix consisted of destination-oriented retailers that are unique to the Market Area and would draw customers from a larger trade area. Also, the addition of new retailers not already serving the local population could help reduce the leakage factor in each submarket as local residents would begin making a portion of their purchases locally that were previously made outside the submarket trade area.

TABLE DA-1
DEMAND FOR RETAIL SPACE
SCOTT COUNTY, MINNESOTA
2015 to 2040

Belle Plaine Submarket

		2015	2020	2030	2040
Trade Area Households		2,837	3,390	4,350	5,390
(times) Annual Household Expenditures[1]	x	$24,830	$27,414	$33,418	$40,736
(equals) Total Trade Area Expenditures	=	$70,442,710	$92,934,566	$145,367,912	$219,568,370
(plus) Approx. % Leakage Outside the Trade Area[2]	+	16.5%	16.5%	16.5%	16.5%
(equals) Leakage Outside of Trade Area	=	$11,623,047	$15,334,203	$23,985,706	$36,228,781
(equals) Total Purchasing Power		$58,819,663	$77,600,363	$121,382,207	$183,339,589
(divided by) Average sales per Sq. Ft.	/	$292	$318	$379	$450
(equals) Total Retail Space Demand (Sq. Ft.)	=	**201,509**	**243,760**	**320,560**	**407,068**
			2015 - 2020	**2020 - 2030**	**2030 - 2040**
Growth in Retail Demand by Time Period (Sq. Ft.)			**42,252**	**76,800**	**86,508**
Growth in Retail Demand 2015 to 2040 (Sq. Ft.)			**205,559**		

Elko-New Market Submarket

		2015	2020	2030	2040
Trade Area Households		3,557	4,300	5,480	7,000
(times) Annual Household Expenditures[1]	x	$33,165	$36,617	$44,636	$54,411
(equals) Total Trade Area Expenditures	=	$117,967,905	$157,452,411	$244,603,764	$380,874,885
(plus) Approx. % Leakage Outside the Trade Area[2]	+	87.2%	87.2%	87.2%	87.2%
(equals) Leakage Outside of Trade Area	=	$102,868,013	$137,298,503	$213,294,483	$332,122,899
(equals) Total Purchasing Power		$15,099,892	$20,153,909	$31,309,282	$48,751,985
(divided by) Average sales per Sq. Ft.	/	$292	$318	$379	$450
(equals) Total Retail Space Demand (Sq. Ft.)	=	**51,730**	**63,308**	**82,685**	**108,244**
			2015 - 2020	**2020 - 2030**	**2030 - 2040**
Growth in Retail Demand by Time Period (Sq. Ft.)			**11,578**	**19,377**	**25,559**
Growth in Retail Demand 2015 to 2040 (Sq. Ft.)			**56,513**		

Jordan Submarket

		2015	2020	2030	2040
Trade Area Households		2,829	3,260	3,980	4,780
(times) Annual Household Expenditures[1]	x	$27,805	$30,699	$37,422	$45,617
(equals) Total Trade Area Expenditures	=	$78,660,345	$100,078,740	$148,939,560	$218,049,260
(plus) Approx. % Leakage Outside the Trade Area[2]	+	33.0%	33.0%	33.0%	33.0%
(equals) Leakage Outside of Trade Area	=	$25,957,914	$33,025,984	$49,150,055	$71,956,256
(equals) Total Purchasing Power		$52,702,431	$67,052,756	$99,789,505	$146,093,004
(divided by) Average sales per Sq. Ft.	/	$292	$318	$379	$450
(equals) Total Retail Space Demand (Sq. Ft.)	=	**180,552**	**210,628**	**263,536**	**324,370**
			2015 - 2020	**2020 - 2030**	**2030 - 2040**
Growth in Retail Demand by Time Period (Sq. Ft.)			**30,076**	**52,908**	**60,834**
Growth in Retail Demand 2015 to 2040 (Sq. Ft.)			**143,818**		

New Prague Submarket

		2015	2020	2030	2040
Trade Area Households		3,365	4,249	5,110	5,980
(times) Annual Household Expenditures[1]	x	$24,731	$27,305	$33,285	$40,574
(equals) Total Trade Area Expenditures	=	$83,219,815	$116,019,040	$170,084,663	$242,631,485
(plus) Approx. % Leakage Outside the Trade Area[2]	+	27.7%	27.7%	27.7%	27.7%
(equals) Leakage Outside of Trade Area	=	$23,051,889	$32,137,274	$47,113,452	$67,208,921
(equals) Total Purchasing Power		$60,167,926	$83,881,766	$122,971,211	$175,422,563
(divided by) Average sales per Sq. Ft.	/	$292	$318	$379	$450
(equals) Total Retail Space Demand (Sq. Ft.)	=	**206,128**	**263,491**	**324,757**	**389,490**
			2015 - 2020	**2020 - 2030**	**2030 - 2040**
Growth in Retail Demand by Time Period (Sq. Ft.)			**57,364**	**61,265**	**64,733**
Growth in Retail Demand 2015 to 2040 (Sq. Ft.)			**183,362**		

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TABLE DA-1 continued
DEMAND FOR RETAIL SPACE
SCOTT COUNTY, MINNESOTA
2015 to 2040

Prior Lake Submarket

		2015	2020	2030	2040
Trade Area Households		12,200	13,700	16,120	18,400
(times) Annual Household Expenditures[1]	x	$35,366	$39,047	$47,598	$58,022
(equals) Total Trade Area Expenditures	=	$431,465,200	$534,943,900	$767,279,760	$1,067,604,800
(plus) Approx. % Leakage Outside the Trade Area[2]	+	8.9%	8.9%	8.9%	8.9%
(equals) Leakage Outside of Trade Area	=	$38,400,403	$47,610,007	$68,287,899	$95,016,827
(equals) Total Purchasing Power		$393,064,797	$487,333,893	$698,991,861	$972,587,973
(divided by) Average sales per Sq. Ft.	/	$292	$318	$379	$450
(equals) Total Retail Space Demand (Sq. Ft.)	=	**1,346,590**	**1,530,825**	**1,845,980**	**2,159,432**
			2015 - 2020	**2020 - 2030**	**2030 - 2040**
Growth in Retail Demand by Time Period (Sq. Ft.)			**184,236**	**315,155**	**313,452**
Growth in Retail Demand 2015 to 2040 (Sq. Ft.)			**812,842**		

Savage Submarket

		2015	2020	2030	2040
Trade Area Households		9,866	11,600	13,000	14,300
(times) Annual Household Expenditures[1]	x	$32,754	$36,163	$44,083	$53,736
(equals) Total Trade Area Expenditures	=	$323,150,964	$419,490,800	$573,079,000	$768,424,800
(plus) Approx. % Leakage Outside the Trade Area[2]	+	30.8%	30.8%	30.8%	30.8%
(equals) Leakage Outside of Trade Area	=	$99,530,497	$129,203,166	$176,508,332	$236,674,838
(equals) Total Purchasing Power		$223,620,467	$290,287,634	$396,570,668	$531,749,962
(divided by) Average sales per Sq. Ft.	/	$292	$318	$379	$450
(equals) Total Retail Space Demand (Sq. Ft.)	=	**766,095**	**911,859**	**1,047,310**	**1,180,642**
			2015 - 2020	**2020 - 2030**	**2030 - 2040**
Growth in Retail Demand by Time Period (Sq. Ft.)			**145,764**	**135,452**	**133,331**
Growth in Retail Demand 2015 to 2040 (Sq. Ft.)			**414,547**		

Shakopee Submarket

		2015	2020	2030	2040
Trade Area Households		14,522	15,940	17,860	19,760
(times) Annual Household Expenditures[1]	x	$28,338	$31,287	$38,139	$46,491
(equals) Total Trade Area Expenditures	=	$411,524,436	$498,721,822	$681,166,415	$918,671,895
(plus) Approx. % Leakage Outside the Trade Area[2]	+	-1.3%	-1.3%	-1.3%	-1.3%
(equals) Leakage Outside of Trade Area	=	-$5,349,818	-$6,483,384	-$8,855,163	-$11,942,735
(equals) Total Purchasing Power		$416,874,254	$505,205,206	$690,021,579	$930,614,630
(divided by) Average sales per Sq. Ft.	/	$292	$318	$379	$450
(equals) Total Retail Space Demand (Sq. Ft.)	=	**1,428,158**	**1,586,963**	**1,822,290**	**2,066,239**
			2015 - 2020	**2020 - 2030**	**2030 - 2040**
Growth in Retail Demand by Time Period (Sq. Ft.)			**158,805**	**235,327**	**243,949**
Growth in Retail Demand 2015 to 2040 (Sq. Ft.)			**638,081**		

Scott County Demand Summary

	2015 - 2020	2020 - 2030	2030 - 2040
Growth in Retail Demand by Time Period (Sq. Ft.)	**630,074**	**896,284**	**928,365**
Growth in Retail Demand 2015 to 2040 (Sq. Ft.)	**2,454,723**		

[1] Excluding expenditures for home buying, finance & insurance, travel, vehicle sales.
[2] Leakage is the estimated amount of retail dollars spent outside the Trade Area.
Note: The 2015 leakage factor is derived from subtracting the estimated retail sales in the Trade Area from the total retail expenditures by Trade Area residents.
Sources: ESRI; Metropolitan Council; Maxfield Research & Consulting, LLC

Office Development Potential

This section focuses on factors that influence the demand for office space, primarily business and employment growth. The amount (in square feet) of additional office space supportable in the County is based on projected office employment growth. Our demand calculations are shown in the following table and are summarized in the following points.

- The demand calculations begin by assessing the total number of jobs in each submarket in 2015 and estimating the proportion of those jobs which were in typical office-using industries. These percentages are projected to increase modestly as the greatest job growth over the next several years, according to the Minnesota Department of Employment and Economic Development, will be among industries that often require office space, such as Education and Health Services, Professional and Business Services, and Financial Activities.

- Not all of the office-using jobs created will seek or want space in office buildings, so we adjust the number of employees likely working in office space to account for the proportion of office-using businesses in each submarket with fewer than five employees. The majority of these businesses are likely one-person or two-person businesses with many operating from peoples' homes. In addition to home offices, some businesses will prefer traditional retail space. Examples include an accounting firm, insurance agency, or a health care provider that may seek retail space with higher visibility.

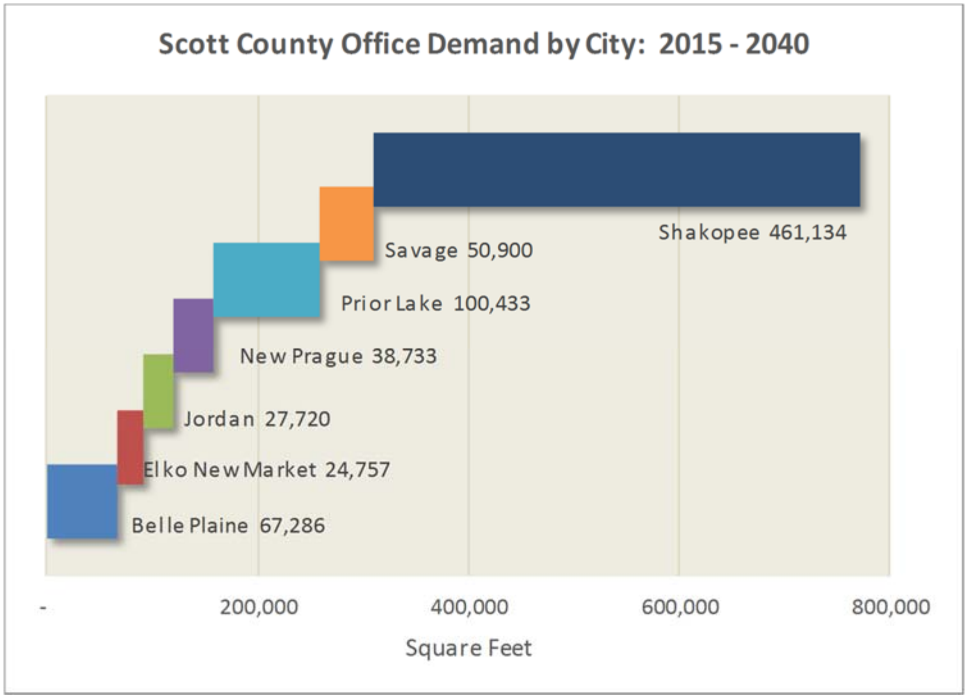
- We then multiply the estimated number of employees in office space by the industry standard of 180 square feet of office space per job, resulting in the estimated demand for office space in 2015. Corporate office users are reducing their footprints in an attempt to more efficiently utilize office space, and the amount of space allocated per employee has been declining steadily over the years. As such, we decrease the office space per employee metric from 180 square feet in 2015 to 170 square feet in 2030 and 2040.

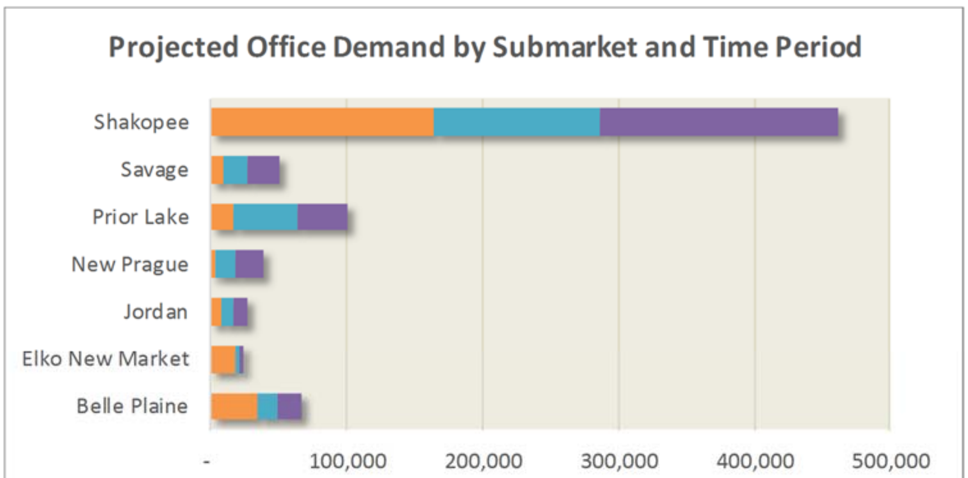
- Multiplying these office space per employee metrics by the number of employees estimated to require office space for each time period (2015 to 2020, 2020 to 2030, and 2030 to 2040) reveals the projected growth in demand for office space between 2015 and 2040.

- In total, we estimate that there will be demand for nearly 265,000 square feet of office space in Scott County between 2015 and 2020. Based on the employment projections, there will be demand for an additional 237,000 square feet of office space between 2020 and 2030 and 285,000 square feet between 2030 and 2040 in Scott County.

- The office demand calculations are based primarily on business and employment growth factors, but demand for office space can also result from existing companies seeking opportunities to relocate or consolidate their employees and operations.

- As shown in the following two graphs, we anticipate that the strongest demand for office space will occur in Shakopee, followed by Prior Lake, Belle Plaine, Savage, New Prague, Jordan and Elko New Market.





	Belle Plaine	Elko New Market	Jordan	New Prague	Prior Lake	Savage	Shakopee
2015-2020	34,242	17,753	7,981	4,321	16,673	9,328	164,447
2020-2030	14,403	2,924	8,612	13,381	47,573	18,494	122,295
2030-2040	18,641	4,080	11,127	21,031	36,187	23,078	174,392

TABLE DA-2
PROJECTED DEMAND FOR OFFICE SPACE
SCOTT COUNTY BY SUBMARKET
2015 to 2040

Scott County					
		2015	**2020**	**2030**	**2040**
Projected total number of jobs		45,960	54,900	61,990	68,440
(times) % of jobs in industries typically requiring office space	x	21.0%	21.4%	22.2%	23.1%
(equals) Projected number of office-type jobs	=	9,656	11,755	13,782	15,799
(times) % of office-type jobs seeking/needing office space^	x	83%	83%	83%	83%
(equals) Projected # of employees in office space	=	8,014	9,757	11,439	13,113
(times) Square feet of office space per employee	x	180	175	170	170
(equals) Projected demand for office space (sq. ft.)	**=**	**1,442,606**	**1,707,414**	**1,944,640**	**2,229,239**
			2015-2020	**2020-2030**	**2030-2040**
Growth in Office Space Demand by Time Period (sq. ft.)*			**264,807**	**237,226**	**284,599**
Belle Plaine Submarket					
		2015	**2020**	**2030**	**2040**
Projected total number of jobs		1,818	2,750	3,110	3,470
(times) % of jobs in industries typically requiring office space	x	24.6%	25.1%	26.1%	27.1%
(equals) Projected number of office-type jobs	=	448	691	811	940
(times) % of office-type jobs seeking/needing office space^	x	85%	85%	85%	85%
(equals) Projected # of employees in office space	=	381	587	689	799
(times) Square feet of office space per employee	x	180	175	170	170
(equals) Projected demand for office space (sq. ft.)	**=**	**68,544**	**102,786**	**117,190**	**135,830**
			2015-2020	**2020-2030**	**2030-2040**
Growth in Office Space Demand by Time Period (sq. ft.)*			**34,242**	**14,403**	**18,641**
Elko New Market Submarket					
		2015	**2020**	**2030**	**2040**
Projected total number of jobs		848	2,390	2,620	2,860
(times) % of jobs in industries typically requiring office space	x	15.4%	15.7%	16.3%	17.0%
(equals) Projected number of office-type jobs	=	131	376	428	485
(times) % of office-type jobs seeking/needing office space^	x	42%	42%	42%	42%
(equals) Projected # of employees in office space	=	55	158	180	204
(times) Square feet of office space per employee	x	180	175	170	170
(equals) Projected demand for office space (sq. ft.)	**=**	**9,904**	**27,657**	**30,581**	**34,661**
			2015-2020	**2020-2030**	**2030-2040**
Growth in Office Space Demand by Time Period (sq. ft.)*			**17,753**	**2,924**	**4,080**
Jordan Submarket					
		2015	**2020**	**2030**	**2040**
Projected total number of jobs		2,344	2,620	2,940	3,260
(times) % of jobs in industries typically requiring office space	x	17.6%	18.4%	19.1%	19.9%
(equals) Projected number of office-type jobs	=	412	483	563	648
(times) % of office-type jobs seeking/needing office space^	x	77%	77%	77%	77%
(equals) Projected # of employees in office space	=	317	372	434	499
(times) Square feet of office space per employee	x	180	175	170	170
(equals) Projected demand for office space (sq. ft.)	**=**	**57,103**	**65,084**	**73,697**	**84,823**
			2015-2020	**2020-2030**	**2030-2040**
Growth in Office Space Demand by Time Period (sq. ft.)*			**7,981**	**8,612**	**11,127**

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TABLE DA-2 continued
PROJECTED DEMAND FOR OFFICE SPACE
SCOTT COUNTY BY SUBMARKET
2015 to 2040

		2015	2020	2030	2040
New Prague Submarket					
Projected total number of jobs		3,460	3,599	3,896	4,247
(times) % of jobs in industries typically requiring office space	x	25.5%	26.0%	27.0%	28.1%
(equals) Projected number of office-type jobs	=	884	937	1,053	1,192
(times) % of office-type jobs seeking/needing office space^	x	89%	89%	89%	89%
(equals) Projected # of employees in office space	=	787	834	937	1,061
(times) Square feet of office space per employee	x	180	175	170	170
(equals) Projected demand for office space (sq. ft.)	=	**141,617**	**145,938**	**159,319**	**180,350**
			2015-2020	**2020-2030**	**2030-2040**
Growth in Office Space Demand by Time Period (sq. ft.)*			**4,321**	**13,381**	**21,031**
Prior Lake Submarket					
		2015	**2020**	**2030**	**2040**
Projected total number of jobs		9,039	9,870	11,900	13,010
(times) % of jobs in industries typically requiring office space	x	16.2%	16.6%	17.2%	17.8%
(equals) Projected number of office-type jobs	=	1,468	1,634	2,045	2,322
(times) % of office-type jobs seeking/needing office space^	x	77%	77%	77%	77%
(equals) Projected # of employees in office space	=	1,130	1,258	1,575	1,788
(times) Square feet of office space per employee	x	180	175	170	170
(equals) Projected demand for office space (sq. ft.)	=	**203,465**	**220,137**	**267,711**	**303,897**
			2015-2020	**2020-2030**	**2030-2040**
Growth in Office Space Demand by Time Period (sq. ft.)*			**16,673**	**47,573**	**36,187**
City of Savage					
		2015	**2020**	**2030**	**2040**
Projected total number of jobs		7,638	8,100	8,800	9,400
(times) % of jobs in industries typically requiring office space	x	18.1%	18.4%	19.1%	19.8%
(equals) Projected number of office-type jobs	=	1,379	1,490	1,681	1,865
(times) % of office-type jobs seeking/needing office space^	x	74%	74%	74%	74%
(equals) Projected # of employees in office space	=	1,020	1,103	1,244	1,380
(times) Square feet of office space per employee	x	180	175	170	170
(equals) Projected demand for office space (sq. ft.)	=	**183,683**	**193,011**	**211,505**	**234,583**
			2015-2020	**2020-2030**	**2030-2040**
Growth in Office Space Demand by Time Period (sq. ft.)*			**9,328**	**18,494**	**23,078**
City of Shakopee					
		2015	**2020**	**2030**	**2040**
Projected total number of jobs		21,524	26,260	29,380	32,890
(times) % of jobs in industries typically requiring office space	x	22.6%	23.0%	23.9%	24.8%
(equals) Projected number of office-type jobs	=	4,860	6,043	7,020	8,160
(times) % of office-type jobs seeking/needing office space^	x	90%	90%	90%	90%
(equals) Projected # of employees in office space	=	4,374	5,439	6,318	7,344
(times) Square feet of office space per employee	x	180	175	170	170
(equals) Projected demand for office space (sq. ft.)	=	**787,320**	**951,767**	**1,074,063**	**1,248,454**
			2015-2020	**2020-2030**	**2030-2040**
Growth in Office Space Demand by Time Period (sq. ft.)*			**164,447**	**122,295**	**174,392**

^ Percent of office-type jobs seeking office space versus home offices or retail spaces.
* Demand calculation assumes office market remains at equilibrium

Source: Maxfield Research & Consulting, LLC

Industrial Demand Estimates

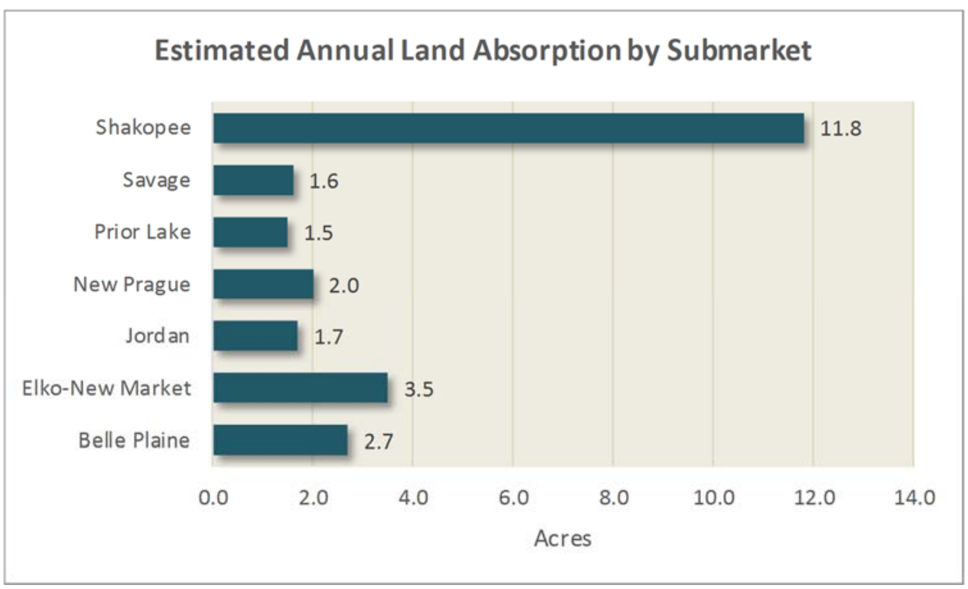
Maxfield Research and Consulting, LLC projects demand for industrial space based on historical absorption and development trends, employment projections, and the supply of land suitable for industrial development. Table DA-3 shows projected industrial absorption in Scott County from 2015 to 2040 along with estimates of the amount of industrial absorption by submarket. Absorption is presented for the amount of building space required to support demand growth along with the amount of land needed to support the new industrial development in the County.

- Based on information provided by Cushman & Wakefield|NorthMarq and Xceligent, Scott County experienced 271,400 square feet of industrial development annually over the past ten years, including 142,100 square feet of Bulk Warehouse space, 90,700 square feet of Office Warehouse space, and 38,600 square feet of Office Showroom space.

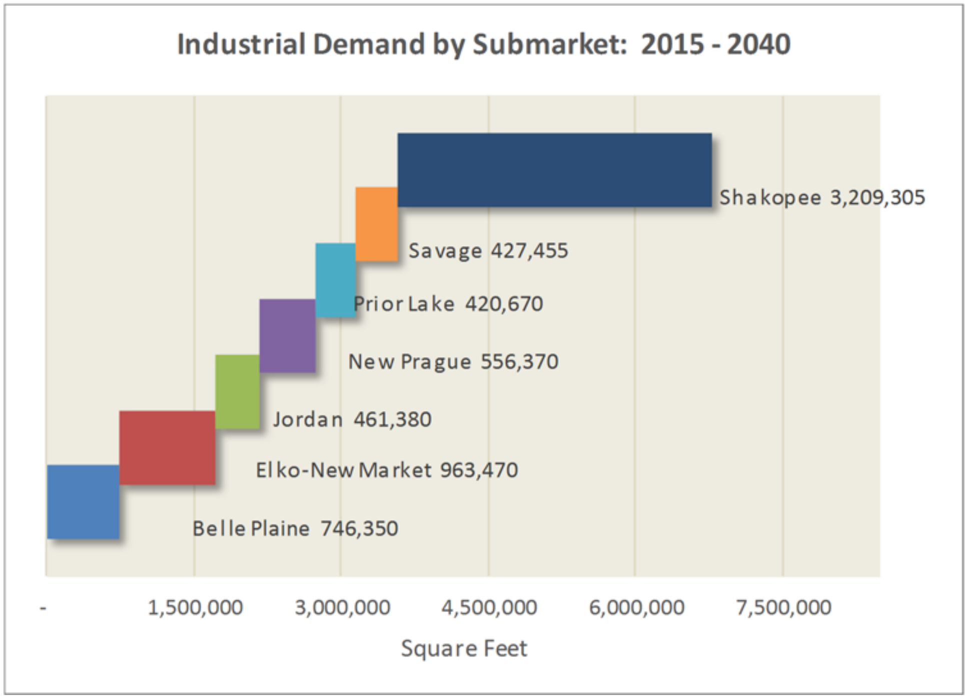
- Using an estimated floor area ratio of 0.25 results in approximately 24.9 acres of industrial land absorption in the County annually.

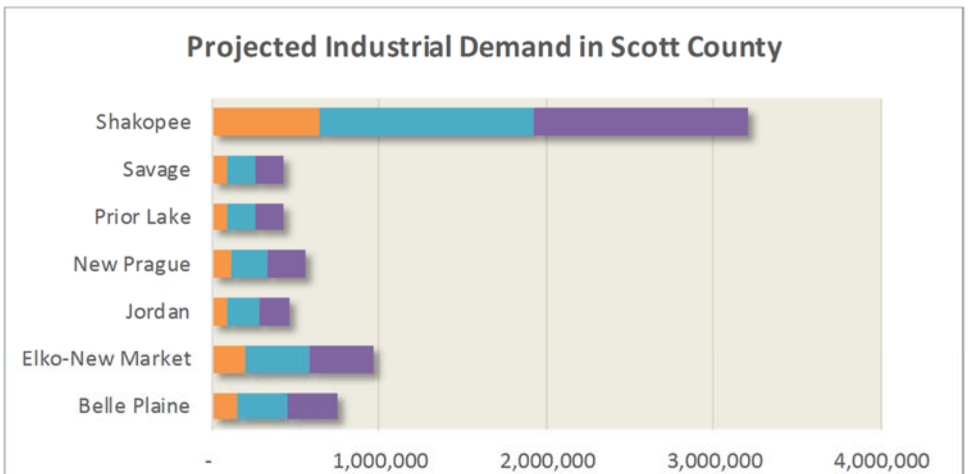
- Utilizing this historical data to forecast future demand, we project that there will be demand for approximately 1.4 million square feet of industrial space in the County between 2015 and 2020, which would require roughly 125 acres of land. Another 2.7 million square feet of building absorption (249 acres of land absorption) is anticipated between 2020 and 2030 and again between 2030 and 2040.

- Based on employment projections along with the amount of available land suitable for industrial development in each Scott County submarket, we estimate the building space and land area absorption that will occur in each submarket by time period. The following charts illustrate projected industrial absorption in Scott County from 2015 to 2040.



- We anticipate that demand will be strongest in Shakopee, generating 3.2 million square feet of space absorption between 2015 and 2040 (roughly 11.8 acres of land absorption annually). Elko-New Market and Belle Plaine are also expected to experience solid growth in industrial demand, at 963,000 square feet of building space (3.5 acres annually) and 746,000 square feet of space (2.7 acres per year), respectively.





	Belle Plaine	Elko-New Market	Jordan	New Prague	Prior Lake	Savage	Shakopee
2015-2020	149,270	192,694	92,276	111,274	84,134	85,491	641,861
2020-2030	298,540	385,388	184,552	222,548	168,268	170,982	1,283,722
2030-2040	298,540	385,388	184,552	222,548	168,268	170,982	1,283,722

TABLE DA-3
ANNUAL ABSORPTION PROJECTIONS
INDUSTRIAL REAL ESTATE
SCOTT COUNTY
2015 to 2040

Average Annual Industrial Development in Scott County (past 10 years)		Annual Absorption	Projected Absorption in Scott County by Time Period: 2015-2020	2020 - 2030	2030 - 2040	Total 2015 -2040
Industrial Product Type (Square Feet)						
Bulk Warehouse		142,100	710,500	1,421,000	1,421,000	3,552,500
Office Warehouse		90,700	453,500	907,000	907,000	2,267,500
Office Showroom		38,600	193,000	386,000	386,000	965,000
Industrial Building Development in Scott County (Square Feet)		**271,400**	**1,357,000**	**2,714,000**	**2,714,000**	**6,785,000**
(divided by) Estimated Floor Area Ratio	/	0.25	0.25	0.25	0.25	0.25
(equals) Annual Land Absorption in Scott County in Sq. Ft.	=	1,085,600	5,428,000	10,856,000	10,856,000	27,140,000
(divided by) Conversion to Acres	/	43,560	43,560	43,560	43,560	43,560
Industrial Acreage Annual Absorption in Scott County	=	**24.9**	**124.6**	**249.2**	**249.2**	**623.0**

Estimated Average Annual Absorption in Scott County by Submarket		Annual Development	Projected Absorption by Submarket and Time Period: 2015-2020	2020-2030	2030-2040	Total 2015-2040
Belle Plaine	**Building (square feet)**	**29,854**	**149,270**	**298,540**	**298,540**	**746,350**
	Land (acres)	**2.7**	**14**	**27**	**27**	**69**
Elko New Market	**Building (square feet)**	**38,539**	**192,694**	**385,388**	**385,388**	**963,470**
	Land (acres)	**3.5**	**18**	**35**	**35**	**88**
Jordan	**Building (square feet)**	**18,455**	**92,276**	**184,552**	**184,552**	**461,380**
	Land (acres)	**1.7**	**8**	**17**	**17**	**42**
New Prague	**Building (square feet)**	**22,255**	**111,274**	**222,548**	**222,548**	**556,370**
	Land (acres)	**2.0**	**10**	**20**	**20**	**51**
Prior Lake	**Building (square feet)**	**16,827**	**84,134**	**168,268**	**168,268**	**420,670**
	Land (acres)	**1.5**	**8**	**15**	**15**	**39**
Savage	**Building (square feet)**	**17,098**	**85,491**	**170,982**	**170,982**	**427,455**
	Land (acres)	**1.6**	**8**	**16**	**16**	**39**
Shakopee	**Building (square feet)**	**128,372**	**641,861**	**1,283,722**	**1,283,722**	**3,209,305**
	Land (acres)	**11.8**	**59**	**118**	**118**	**295**

Sources: Xceligent; Maxfield Research & Consulting, LLC

Commercial Real Estate Agent Interviews

Maxfield Research and Consulting, LLC surveyed commercial real estate listing brokers, tenant representation agents, developers, builders, and other persons familiar with the commercial and industrial real estate markets in Scott County. The following points summarize findings derived from these interviews.

- Industrial sales and leasing activity has been extremely strong the past couple of years in Scott County. Demand was strong enough to stimulate speculative development activity, as two buildings went spec prior to 2016 and several are planned to begin construction in 2016. The County has a severely-limited supply of space for those that need 10,000 square feet or less. Industrial market conditions are tightening with all-time low vacancy rates.

- Shakopee has been one of the hottest markets for industrial real estate over the past five years, along with Brooklyn Park and Otsego. The reasons are as follows: 1) available, “ready-to-go” land; 2) proximity to Highway 169; and, 3) pro-active City and County staff willing to assist tenants and developers. Most of the activity has been build-to-suit as well as distribution. Very little tech/flex space has been built because many investors do not want to own these types of buildings as they are expensive to operate and difficult to re-tenant.

- Industrial sales and leasing activity in Scott County peaked during 2015, but it has since slowed down as much of the pent-up demand, particularly for larger deals, has been met and the large user demand is “drying-up.”

- Most of the larger users have favored build-to-suit projects, typically signing leases for time-periods of ten years or longer. This trend is due, in large part, to the desire of tenants/users to get a building that fits their precise needs rather than trying to retrofit an existing building to fit their needs. Economics is also driving demand for new build-to-suit construction, as existing buildings are often too expensive to retrofit. This is a common issue for production and manufacturing users where companies require specific tenant improvements. Smaller users are more likely to give strong consideration to leasing/buying existing or speculative options.

- Office leasing and sales activity has been characterized as being slow, while demand for retail space is relatively strong.

- Available land has become very scarce in the County, as well as the southwest submarket. As the supply of available sites in Scott County diminishes, demand is possibly shifting to Lakeville and the I-35 Corridor. Quality industrial land is dependent upon proximity to infrastructure and utilities. Land pricing is generally between $1.50 and $4.00 per square foot for “ready-to-go” industrial land.

- In general, it is difficult to find quality industrial sites in the County, and users tend to target one or two quadrants in the Metro Area rather than the entire Metro Area when seeking sites. The land supply in Scott County is tightening, especially for quality sites with good access to highways.

- Existing users generally want to relocate near their labor force and will often stay in the same submarket/quadrant of the Metro Area, but the new users in the market (i.e. Amazon) will conduct Metro-wide searches. Location decisions often give strong consideration to proximity to amenities, distance to the airport, proximity to highways, and access to labor. Labor access is growing in importance for real estate decision-makers, for all types of users (not just industrial).

- For industrial warehouse users, lower taxes and lower lease rates in Scott County have helped stimulate demand for space, as well as the fact that many of the buildings are relatively new with superior clear height and better amenities compared to properties north of the River.

- Scott County has more land availability and more reasonable taxes than neighboring Hennepin County, although there are some users that do not want to locate south of the Minnesota River. Scott County has been an attractive market due to land and infrastructure availability. The tax climate in Minnesota is hampering expansion potential in the County, as well as the Metro Area.

- Scott County has been a great County to work with, and the “one-stop-shop” concept works well. Users generally give strongest consideration to access to labor when seeking locations, but some may also give consideration to potential incentives such as TIF or tax abatement.

- Generally, tenants seek locations around other tenants. Companies like to locate around amenities and have convenient access, which is why Dean Lakes and many other industrial sites in Shakopee filled up quickly. A disadvantage for Scott County is its more rural feel. Most companies want to be around other companies like them. Users are not likely to locate south of Shakopee along Highway 169 (i.e. in Louisville Township), especially higher-end users (technology, medical-manufacturing, etc.)

- New industrial product is being developed at 32-foot clear height or higher for bulk distribution space and 24-foot to 28-foot clear height for office warehouse product. Smaller users generally find space with 16-foot to 18-foot clear height.

- Office users typically seek open floor plates, and most of the office users in Scott County have been looking for blocks of space smaller than 5,000 square feet. Office tenants will typically pay roughly $14.50 per square foot to lease space, and users will pay in the $120 to $140 per square foot range to purchase a building.

- Retail leasing activity has been somewhat restricted and is based on the availability of opportunities. There is a need for new retail development in the County, but the elongated market along Highway 169 and other natural barriers present a challenge to typical development designs.

- Some retailers have been hesitant to locate in Scott County due to low population densities, but this concern is being alleviated as the population grows.

- Retailing is becoming omni-channel – getting products in front of the target market via many different methods (i.e. internet, traditional stores), and the emergence of new retailing concepts is pressuring traditional concepts to adapt.

- Industrial tenants are generally willing to pay in the range of $9.50 to $10.50 per square foot for office space and $4.75 to $5.00 per square foot for warehouse space in new buildings. Existing buildings will generally achieve rents in the range of $8.75 to $9.50 per square foot for office space and $4.50 for warehouse space.

- The County should consider opening up more land for industrial development, especially in prime locations along highways near interchanges in Shakopee. Developing a "business park" designed for specific types of companies (i.e. medical manufacturing, engineering, etc.) may help bring those companies to the County.

- There is a lack of executive-level housing in the County, which potentially limits the ability of the County to attract some of these other types of users. Most decision-makers will seek business locations near their place of residence, but executives are not necessarily living in Scott County.

Economic Drivers

The following provides a brief discussion regarding significant economic trends impacting demand for commercial real estate in Minnesota and the Midwest. Key points are derived from the February 2016 "Budget & Economic forecast" prepared by the Minnesota Management & Budget office, which forecasts economic trends in the State through 2019. We also reviewed information from the August 2016 "U.S. Macro Forecast" which was published by Cushman & Wakefield.

- Due to falling commodity prices and weak global growth, the pace of job growth in Minnesota slowed during the second half of 2015. However, despite the slowdown, Minnesota's diverse economic base has helped the economy perform relatively well.

- Job growth has been fairly widespread, with gains in education and health services, retail trade, and financial activities. This job growth has pushed Minnesota's unemployment rate down to its lowest level in over a decade.

- Employment in Minnesota is projected to continued expanding over the next several years, but at a slower pace. Future job growth will be constrained as the State is near full employment and the aging population will cause the labor supply to contract as workers retire.

- As the excess supply of availability workers diminishes the pace of wage growth is expected to accelerate.

- As job creation decelerates, office-using job growth will also decline generating a slow-down in demand for office space.

- Despite the slowdown, job growth is projected to occur, and an expanding economy will drive increases in disposable income, which will lead to higher consumer and business spending, and stimulate new household formation, benefitting the retail market as well as the residential real estate market.

- The housing recovery will lead to more construction jobs, as well as demand for goods such as furniture, appliances, utilities, and financial services. As demand for goods from consumers and businesses grows, manufacturing production and shipments will increase, generating demand for industrial real estate.

- Across the United States e-commerce is driving demand for industrial space along major transportation corridors, particularly distribution space catering to e-fulfillment. Many businesses are looking to locate their distribution centers closer to their end markets, and activity is occurring in smaller markets.

- While the Manufacturing sector has experienced substantial job losses since 2000, the sector has been gradually recovering in recent years. The Manufacturing outlook is positive, and companies will be focused on hiring more skilled workers than in the past. Manufacturers will also be developing highly automated processes and seeking access to distribution channels. The Midwest is expected to experience growing demand from the Manufacturing sector, as access to labor grows in importance. The Midwest has a good employment base with mid- to high-skilled labor along with a solid freight infrastructure system.

- While short-term demand for Flex space will remain sluggish, demand will increase as the economy generates sustained job growth. Demand will be strongest in markets with the following characteristics: educated and skilled workforces; strong high-tech, biotech, pharmaceuticals, and energy economies; and, locations along major transportation corridors.

SCALE Overview

Introduction

The Scott County Association for Leadership and Efficiency (SCALE) was formed in the Spring of 2003 to facilitate local government efficiencies by eliminating duplicate expenses through the collaboration of services and sharing of resources. SCALE members include elected and appointed officials from all seven cities, schools, and townships in Scott County, the Shakopee Mdewakanton Sioux Community, and Scott County. The mission statement is as follows: "The Mission of SCALE is to forge new and innovative ways in which government entities can collaborate to provide superior services while making the most of limited resources."

The following tables and maps were prepared by Maxfield Research and Consulting, LLC based on data compiled from the Scott County Community Development Agency and SCALE.

- Commercial, Industrial and Mixed Use Parcels
- Commercial, Industrial and Mixed Use Acres by City
- Parcels by Class and Size
- Submarket Scale Maps (Appendix)

Overview

The following section is designed to evaluate the amounts of industrial, commercial and mixed use land available for current or future development in Scott County. Included in the evaluation are the following components:

- The number, size and type of parcels available for industrial, commercial and mixed use development;
- The readiness of parcels for development; and,
- A comparison of available land among the cities in Scott County.

All of the following tables were assembled by Maxfield Research based on data compiled by Scott County GIS. The data is presented based on a classification system that identifies parcels based on their "readiness" for future commercial/industrial development.

Parcels are classified as follows:

Class I: Property that is already platted and "pad ready." Interior lot improvements have been completed and development would require only building permit or site plan approvals.

Class II: Property is guided and zoned for commercial/industrial use within the 2030 growth boundary or MUSA boundary. Public infrastructure is readily accessible to the property and has sufficient capacity to serve the development.

Class III: Property is guided for commercial/industrial uses on locally adopted land use map.

Commercial, Industrial and Mixed Use Parcels in Scott County

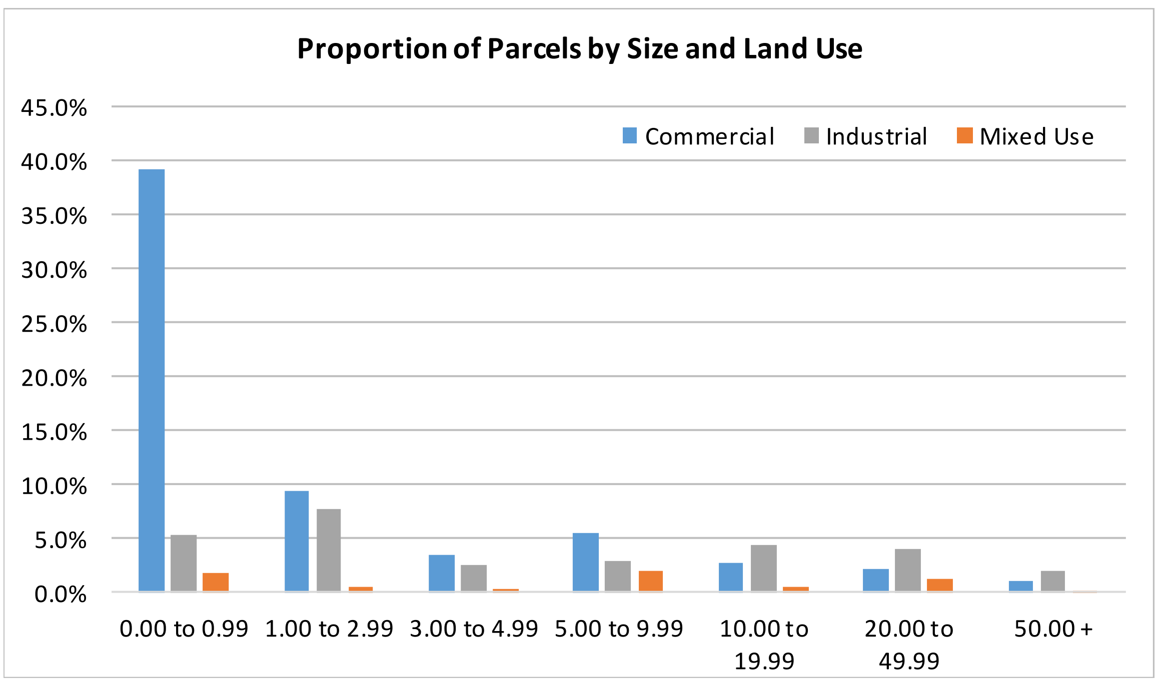
Table S-1 summarizes the commercial, industrial and mixed use land available for development in Scott County. The table summarizes the data by readiness for development, Class 1, Class 2 or Class 3. Within each class, parcels are defined by land use type and the size of the parcel. The following are key points from the table:

- Among all parcels in the County available for commercial, industrial and mixed use development, 64% (607 parcels) are zoned for commercial development. Parcels zoned for industrial use account for 29% of the parcels (278) and mixed-use parcels make up the final 7% (65).

- Across all land use types and classes, 46% (441) of parcels are less than one acre in size. In addition, Class 1 parcels account for 45% of all parcels, regardless of size or land use type.

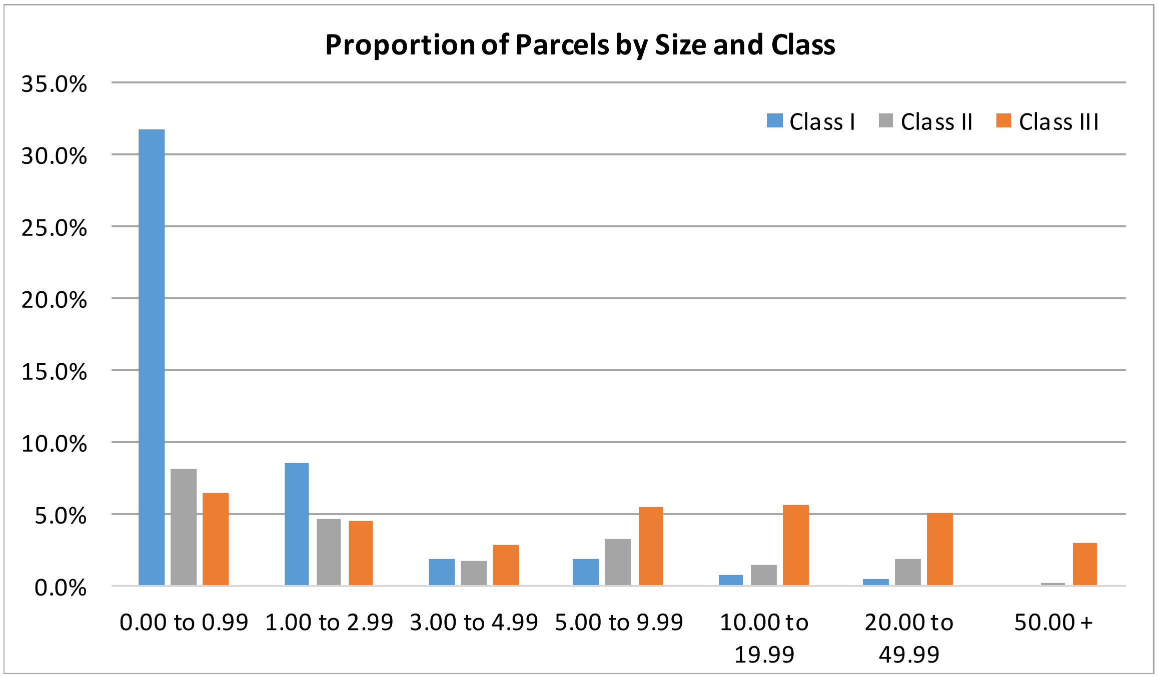
- Commercial properties less than one-acre account for 39.3% of all parcels available for development, making up the largest proportion of parcels.

- Larger parcels are most likely to be zoned for industrial use. Of parcels with more than ten acres, 56% are zoned for industrial, accounting for 100 of the 177 Scott County parcels with sizes of more than ten acres.



- The largest share of parcels are Class 1 parcels under one-acre in size, representing 32% of parcels, followed by Class 1 parcels between 1.00 and 2.99 acres (8.5%). As Class 1 properties, these parcels have the greatest level of readiness for development.

- Class 3 parcels are the most likely to be larger in size, 58% of Class 3 parcels are five acres or larger. This is compared to 7% of Class 1 parcels with five acres or more and 32% of Class 2 parcels with more than five acres.



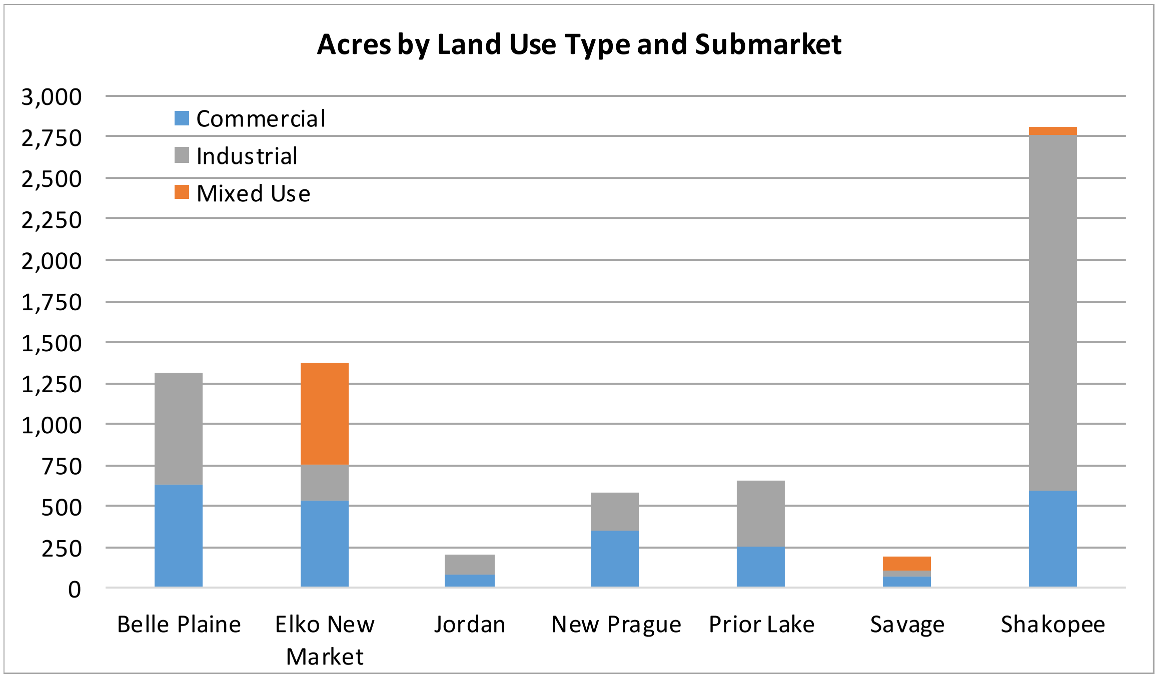
Commercial, Industrial and Mixed Use Acres by Submarket

Table S-2 summarizes the commercial, industrial and mixed use land available for development by submarket. The table summarizes the data as the total number of acres by their readiness for development, Class 1, Class 2 or Class 3. Within each class, parcels are defined by land use type and the submarket in which they are located. The following are key points from the table:

- Land classified as industrial accounted for the most acreage available for development, with 3,868 acres with the majority existing in Shakopee, which reported 2,165 industrial acres.

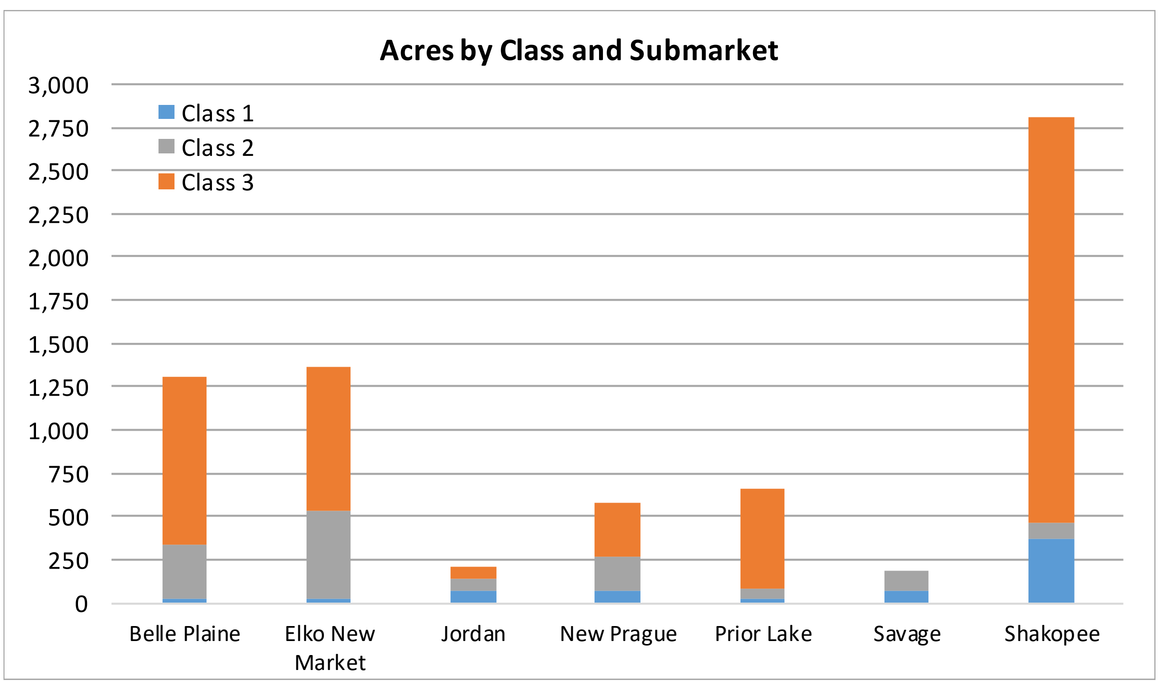
- Thirty-nine percent of potentially developable land is located in Shakopee, which reported 2,805 acres, followed by Elko New Market with 1,370 acres (19%) and Belle Plaine with 1,309 acres (18%).

- Elko New Market reported 616 acres of land able to be developed as mixed-use, representing 83.5% of all mixed use land available. All of Elko New Market's mixed-use land was classified as Class 2 or Class 3. Only Shakopee reported Class 1 mixed-use land, with 3.4 acres.



- Shakopee reported the most Class 1 land, with 376 acres. All of the remaining submarkets reported less than 80 acres of Class 1 land.

- Class 3 land accounted for 70.5% of potentially developable commercial, industrial and mixed-use land. With Shakopee again accounting for the largest proportion, with 2,338 acres of Class 3 land.

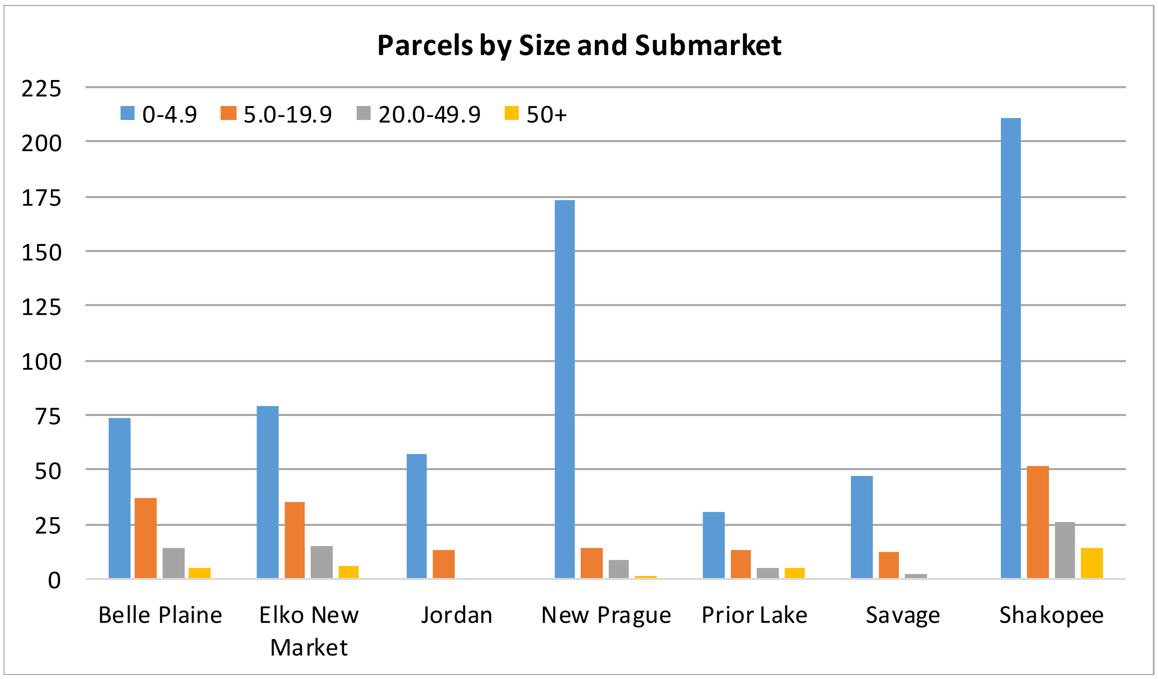


- Elko New Market reported the most Class 2 land, with 504 acres, followed by Belle Plaine, with 310 acres.

Parcels by Class and Size

Table S-3 summarizes the number of parcels available in each submarket by size and class. The following are key points from the table:

- Shakopee has the largest number of parcels available for development at 303, followed by New Prague with 197 parcels.
- The most common parcel class available was Class 1 parcels under one acre in Shakopee, where there are 103 Class 1 parcels sized between 0 and 0.99 acres.
- Seventy-one percent of all parcels in the County are less than five acres. Only 3% of parcels (31) are over 50 acres in size.



Submarket SCALE Maps

The maps in the Appendix show the location of SCALE parcels, along with the parcels zoning and class, for each submarket. An additional map is provided for each submarket showing the location of all SCALE parcels of less than five acres. This map is provided to assist in determining the amount of contiguous parcels and the proximity of the parcels to major road ways. As detailed above, 71% of the SCALE parcels are under five acres. Due to the large number of small size parcels, there will likely be a need to combine parcels to meet the needs of larger commercial, industrial and mixed use developments.

TABLE S-1
Number of Parcels by Class, Land Use and Size
Scott County
August 2016

	Class I				Class II			
Acres	**Commercial**	**Industrial**	**Mixed Use**	**Total**	**Commercial**	**Industrial**	**Mixed Use**	**Total**
0.00 to 0.99	278	10	14	302	69	5	3	77
1.00 to 2.99	39	42	0	81	33	11	1	45
3.00 to 4.99	8	10	0	18	13	2	2	17
5.00 to 9.99	13	5	0	18	18	7	6	31
10.00 to 19.99	5	3	0	8	8	3	3	14
20.00 to 49.99	2	3	0	5	4	6	8	18
50.00 +	0	0	0	0	0	1	1	2
Total	**345**	**73**	**14**	**432**	**145**	**35**	**24**	**204**

	Class III				Total			
Acres	**Commercial**	**Industrial**	**Mixed Use**	**Total**	**Commercial**	**Industrial**	**Mixed Use**	**Total**
0.00 to 0.99	26	36	0	62	373	51	17	441
1.00 to 2.99	17	21	5	43	89	74	6	169
3.00 to 4.99	12	13	2	27	33	25	4	62
5.00 to 9.99	22	16	14	52	53	28	20	101
10.00 to 19.99	14	37	2	53	27	43	5	75
20.00 to 49.99	15	29	4	48	21	38	12	71
50.00 +	11	18	0	29	11	19	1	31
Total	**117**	**170**	**27**	**314**	**607**	**278**	**65**	**950**

Sources: Scott County, Maxfield Research and Consulting, LLC

TABLE S-2
Scale Classification by Acreage and Submarket
August 2016

	Class I				Class II			
	Commercial	Industrial	Mixed Use	Total	Commercial	Industrial	Mixed Use	Total
Belle Plaine	24.74	0.99	0.00	25.72	182.32	127.83	0.00	310.14
Elko New Market	23.80	0.00	0.00	23.80	25.48	136.52	342.21	504.21
Jordan	15.97	52.80	0.00	68.77	55.99	9.67	0.00	65.65
New Prague	55.35	19.89	0.00	75.24	114.60	77.37	0.00	191.97
Prior Lake	12.41	15.79	0.00	28.20	39.52	13.83	0.00	53.35
Savage	52.42	20.77	0.00	73.20	14.56	23.27	78.88	116.70
Shakopee	189.96	182.48	3.37	375.81	66.13	24.82	0.00	90.95
Total	**374.65**	**292.72**	**3.37**	**670.74**	**498.60**	**413.29**	**421.09**	**1,332.99**

	Class III				Total			
	Commercial	Industrial	Mixed Use	Total	Commercial	Industrial	Mixed Use	Total
Belle Plaine	419.34	554.20	0.00	973.54	626.39	683.01	0.00	1,309.40
Elko New Market	486.53	81.03	274.09	841.65	535.81	217.54	616.30	1,369.66
Jordan	7.83	61.52	0.00	69.34	79.79	123.98	0.00	203.77
New Prague	181.13	135.40	0.00	316.53	351.08	232.66	0.00	583.74
Prior Lake	207.39	372.24	0.00	579.63	259.32	401.86	0.00	661.18
Savage	0.00	0.00	0.00	0.00	66.98	44.04	78.88	189.90
Shakopee	341.49	1,957.79	38.82	2,338.10	597.59	2,165.09	42.19	2,804.87
Total	**1,643.70**	**3,162.18**	**312.91**	**5,118.79**	**2,516.96**	**3,868.19**	**737.37**	**7,122.52**

Sources: Scott County, Maxfield Research and Consulting, LLC

TABLE S-3
Parcels by Acreage, Submarket and Class
August 2016

Submarket/Class	0.00 - 0.99	1.00 - 2.99	3.00 - 4.99	5.00 - 9.99	10.00 - 19.99	20.00 - 49.99	50.00 +	Total
Belle Plaine								
Class I	40	2	0	2	0	0	0	44
Class II	6	9	1	10	5	4	0	35
Class III	3	7	6	6	14	10	5	51
Subtotal	49	18	7	18	19	14	5	130
Elko New Market								
Class I	30	1	4	0	0	0	0	35
Class II	23	5	3	4	4	7	2	48
Class III	4	7	2	20	7	8	4	52
Subtotal	57	13	9	24	11	15	6	135
Jordan								
Class I	21	15	2	1	1	0	0	40
Class II	7	6	1	4	1	0	0	19
Class III	1	3	1	4	2	0	0	11
Subtotal	29	24	4	9	4	0	0	70
New Prague								
Class I	83	19	1	0	1	0	0	104
Class II	33	9	4	4	0	4	0	54
Class III	13	7	4	6	3	5	1	39
Subtotal	129	35	9	10	4	9	1	197
Prior Lake								
Class I	1	8	2	1	0	0	0	12
Class II	0	8	4	1	1	0	0	14
Class III	3	2	3	6	4	5	5	28
Subtotal	4	18	9	8	5	5	5	54
Savage								
Class I	24	13	2	5	0	0	0	44
Class II	4	2	2	6	1	2	0	17
Class III	0	0	0	0	0	0	0	0
Subtotal	28	15	4	11	1	2	0	61
Shakopee								
Class I	103	23	7	9	6	5	0	153
Class II	4	6	2	2	2	1	0	17
Class III	38	17	11	10	23	20	14	133
Subtotal	145	46	20	21	31	26	14	303
Total								
Class I	302	81	18	18	8	5	0	432
Class II	77	45	17	31	14	18	2	204
Class III	62	43	27	52	53	48	29	314
Subtotal	441	169	62	101	75	71	31	950

Sources: Scott County, Maxfield Research and Consulting, LLC

Conclusions & Recommendations

Introduction

The previous sections examined demographic and economic trends driving industrial and commercial real estate development, market trends, demand projections, and land supply data compiled by SCALE for each major jurisdiction in Scott County. Based on these findings, this section summarizes our demand findings for commercial and industrial real estate development in Scott County for the time period of 2015 to 2040.

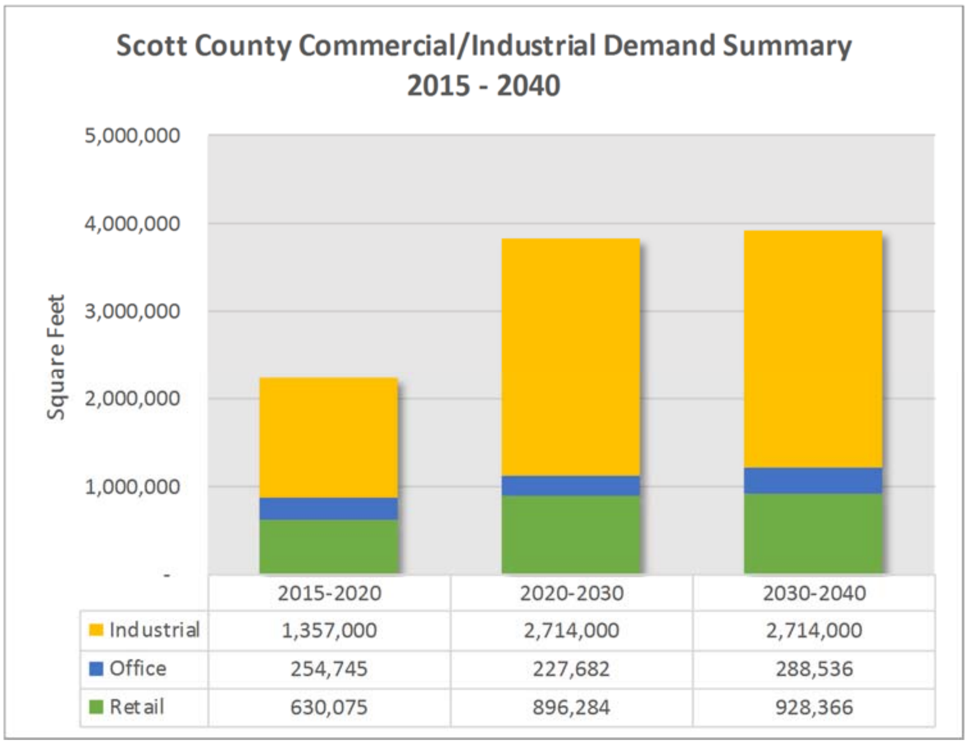
The Conclusions & Recommendations section of the, include the following components:

- Scott County demand summary
- Retail demand findings;
- Office demand findings;
- Industrial demand findings;
- Land area requirements;
- Land supply and demand comparison;
- Potential job creation; and,
- General recommendations.

Demand Summary

The following chart summarizes demand findings for Scott County by time period between 2015 and 2040. In total, we find demand for over 10.0 million square feet of commercial and industrial space during that time period, including:

- 2.2 million square feet by 2020;
- 3.8 million square feet between 2020 and 2030; and,
- 3.9 million square feet from 2030 to 2040.

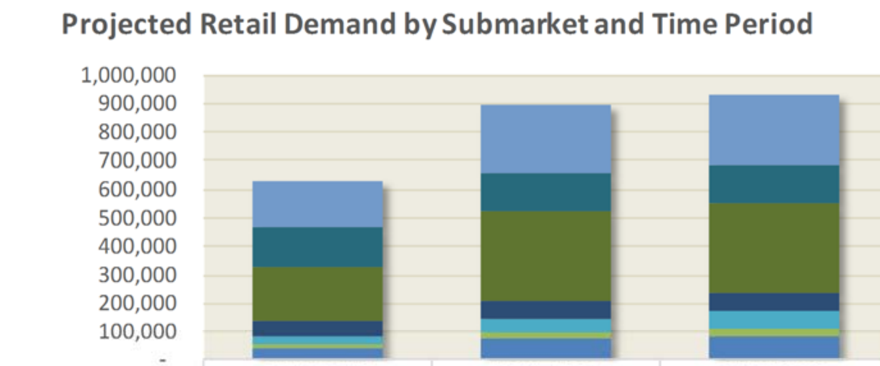


As shown, demand is expected to be strongest for industrial space between 2015 and 2040, representing 68% of the total commercial/industrial demand in Scott County (6.8 million square feet). Estimated demand for retail space (2.4 million square feet) is expected to account for 25% of the commercial/industrial demand in the County, while 8% will be for office space (771,000 square feet).

The graphs and points on the following pages summarize commercial and industrial real estate demand by product type and community in Scott County.

Retail Demand

- The following graph illustrates projected growth in retail demand by Scott County submarket by time period, including; 2015 to 2020, 2020 to 2030, and 2030 to 2040.



	2015-2020	2020-2030	2030-2040
Shakopee	158,805	235,327	243,949
Savage	145,764	135,452	133,331
Prior Lake	184,236	315,155	313,452
New Prague	57,364	61,265	64,733
Jordan	30,076	52,908	60,834
Elko New Market	11,578	19,377	25,559
Belle Plaine	42,252	76,800	86,508

- Based on our demand methodology, we find that there will be demand for additional retail space in each Scott County submarket between 2015 and 2040, with the strongest demand in the Prior Lake and Shakopee submarkets.

- Retailers could capture potential sales from several sources, primarily area households, but also employees, people visiting the County, and daily traffic through the County. The most likely retail uses to be drawn to each submarket would be neighborhood and convenience-oriented goods and services where there is significant leakage, as summarized below.

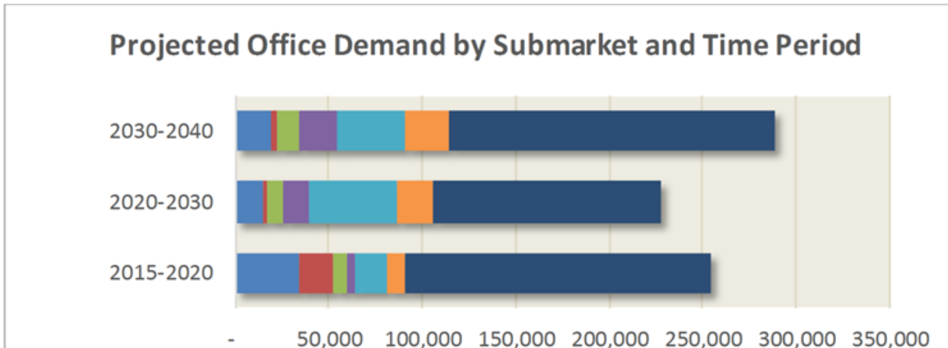
  - Belle Plaine: restaurants, health and personal care stores, as well as specialty retailers (i.e. florists, gift stores, pet supplies, and home furnishings).
  - Elko New Market: restaurants, health and personal care stores, gasoline stations, and specialty retailers.
  - Jordan: health and personal care stores, restaurants.
  - New Prague: restaurants and specialty retailers.
  - Prior Lake: grocery stores, health and personal care stores, and restaurants.
  - Savage: restaurants, gasoline stations, grocery stores, and specialty retailers.
  - Shakopee: grocery stores, health and personal care stores, and restaurants.

Office Demand

- Based on our demand methodology, we find that there will be demand for additional office space in each of the major Scott County submarkets between 2015 and 2040, as shown below:

  - 67,000 square feet in Belle Plaine;
  - 25,000 square feet in Elko-New Market;
  - 28,000 square feet in Jordan;
  - 39,000 square feet in New Prague;
  - 100,000 square feet in Prior Lake;
  - 51,000 square feet in Savage; and,
  - 461,000 square feet in Shakopee

- The following graph illustrates projected office demand growth in each Scott County community by time period, including; 2015 to 2020, 2020 to 2030, and 2030 to 2040. In total, we find demand for approximately 771,000 square feet of office space in Scott County between 2015 and 2040.



	2015-2020	2020-2030	2030-2040
Belle Plaine	34,242	14,403	18,641
Elko New Market	17,753	2,924	4,080
Jordan	7,981	8,612	11,127
New Prague	4,321	13,381	21,031
Prior Lake	16,673	47,573	36,187
Savage	9,328	18,494	23,078
Shakopee	164,447	122,295	174,392

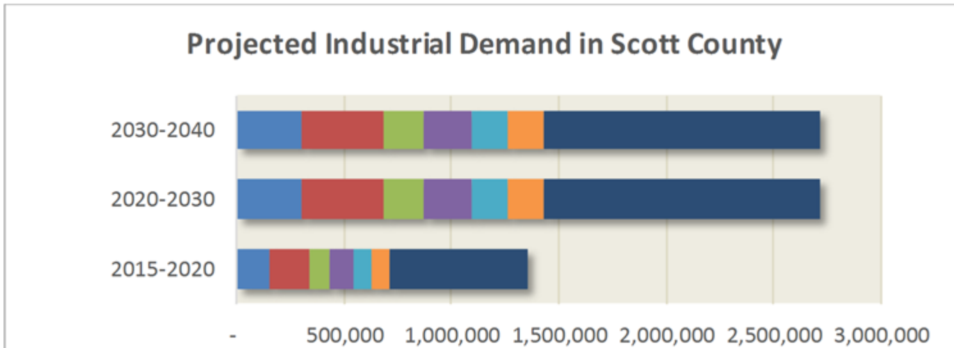
- Based on the composition of business establishments in Scott County, we anticipate that the greatest growth will come from office-using businesses that offer services to local households, such as; health care providers, insurance agencies, accountants, and real estate agents.

Industrial Demand

- We find that there will be demand for additional industrial space in each of the major Scott County submarkets between 2015 and 2040, as shown below:

  - 746,000 square feet in Belle Plaine;
  - 963,000 square feet in Elko New Market;
  - 461,000 square feet in Jordan;
  - 556,000 square feet in New Prague;
  - 421,000 square feet in Prior Lake;
  - 427,000 square feet in Savage; and,
  - 3.2 million square feet in Shakopee.

- The following graph illustrates projected industrial demand growth in each Scott County community by time period, including; 2015 to 2020, 2020 to 2030, and 2030 to 2040.



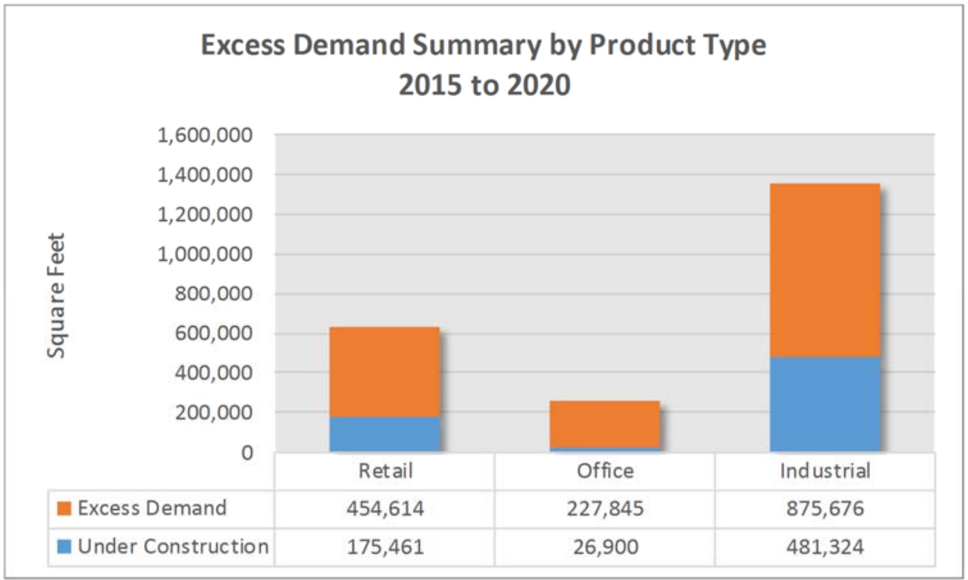
	2015-2020	2020-2030	2030-2040
Belle Plaine	149,270	298,540	298,540
Elko-New Market	192,694	385,388	385,388
Jordan	92,276	184,552	184,552
New Prague	111,274	222,548	222,548
Prior Lake	84,134	168,268	168,268
Savage	85,491	170,982	170,982
Shakopee	641,861	1,283,722	1,283,722

- Based on historical absorption and development trends in Scott County, we anticipate that demand will be strongest for Bulk Warehouse space, representing 52% of total industrial demand between 2015 and 2040 (3.6 million square feet). Roughly 33% of the demand is expected to be for Office Warehouse space (2.3 million square feet), and the remaining 14% will be for Office Showroom space (965,000 square feet). It's worth noting that economic development and business recruitment efforts could impact demand for the various industrial product types. For example, high-tech companies will likely require Office Showroom (i.e. Flex) space, while establishments in the Transportation and Warehousing sector will likely seek Bulk Warehouse space.

Pending Product

- As mentioned in the Market Analysis portion of this study, we identified 32 projects, totaling 3.6 million square feet of commercial and industrial space proposed, planned, or under construction in Scott County. This pending product will satisfy a portion of the projected demand between 2015 and 2020.

- As illustrated in the following graph, we estimate that there will be demand for nearly 2.2 million square feet of new commercial and industrial space in Scott County between 2015 and 2020. There is currently 684,000 square feet under construction, which leaves excess demand for another 1.6 million square feet of space in the County by 2020.



- In total, the space under construction will satisfy approximately 31% of the projected demand by 2020. The following points summarize the impact of new development in Scott County by product type:

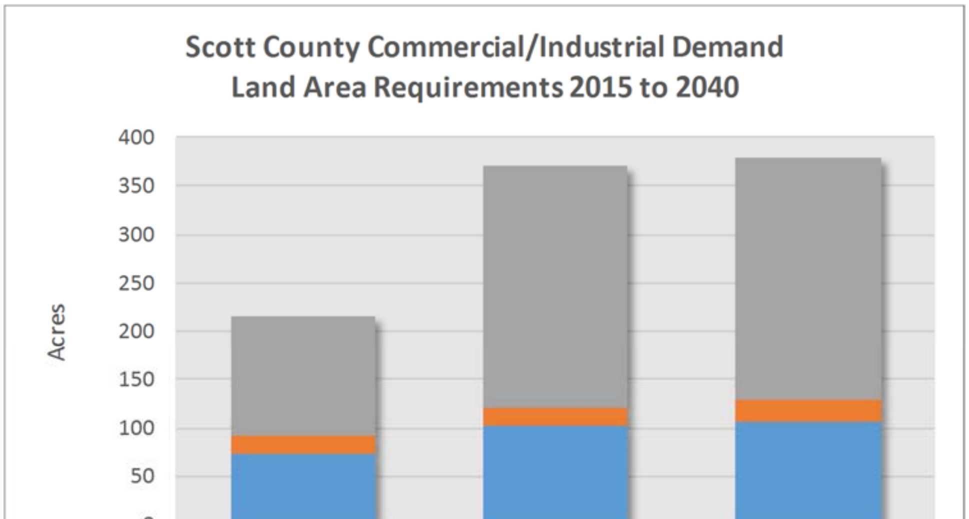
  - Retail space under construction (175,461 square feet) will satisfy 28% of the projected demand (630,075 square feet);
  - Office space under construction (26,900 square feet) will satisfy 11% of the projected demand (254,745 square feet); and,
  - Industrial space under construction (481,324 square feet) will satisfy 36% of the projected demand (1.4 million square feet).

Land Area Requirements

For each of the commercial/industrial real estate sectors (retail, office, and industrial), we calculated future demand between 2015 and 2040 in Scott County. Additionally, we estimate land area requirements. These calculations are presented in Table CR-1. Land requirements are calculated using a Floor Area Ratio (FAR) for each product type which are based on a sampling of recent development projects in Scott County and the Metro Area.

- We estimate that commercial and industrial development could consume approximately 964 acres of land in Scott County between 2015 and 2040.

  - At a Floor Area Ratio (FAR) range of 0.20 to 0.25, retail development would require up to 282 acres of land.
  - Based on a FAR range of 0.30 to 0.35, office development would absorb up to 59 acres of land in the County between 2015 and 2040.
  - Industrial development would require up to 623 acres in the County between 2015 and 2040, based on a FAR range of 0.25 to 0.30.

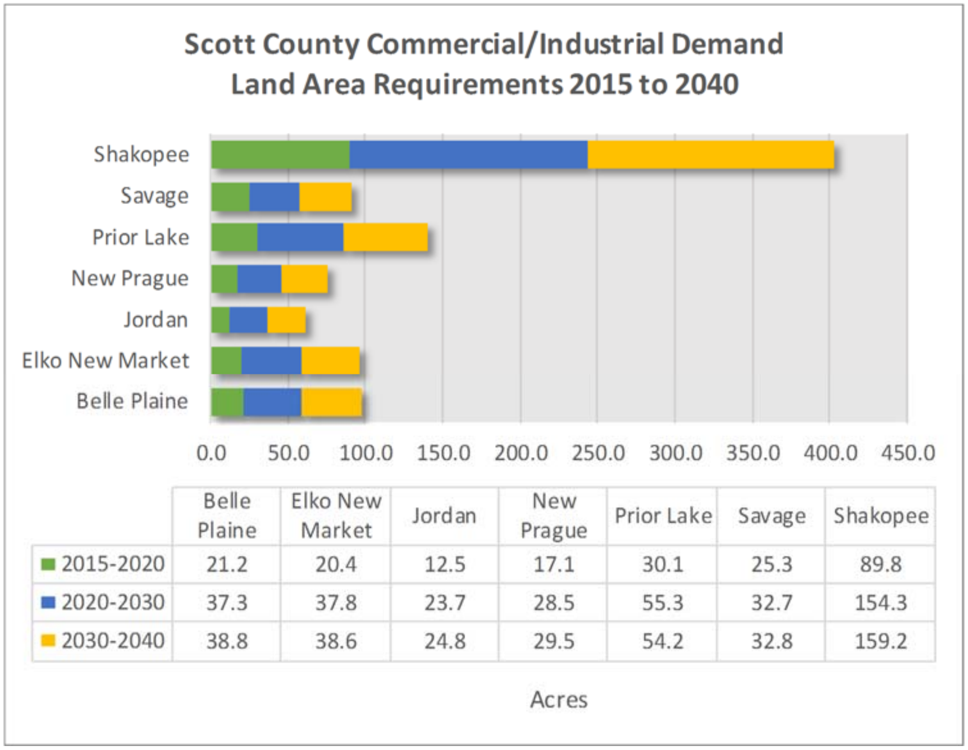


	2015-2020	2020-2030	2030-2040
Industrial	125	249	249
Office	19	17	22
Retail	72	103	107

- Between 2015 and 2020, we estimate that up to 216 acres of land will be needed for commercial/industrial development in the County, including 72 acres for retail development, 19 acres for office development, and 125 acres for industrial development.

- Approximately 370 acres of land will be required to support the projected commercial/ industrial development between 2020 and 2030, and another 378 acres will be needed between 2030 and 2040.

- As depicted in the following graph, land absorption for commercial and industrial development will be strongest in Shakopee between 2015 and 2040, requiring roughly 400 acres to support the projected demand. Prior Lake, Belle Plaine, and Elko New Market will require 140 acres, 97 acres, and 97 acres, respectively, while 91 acres will be absorbed in Savage, 75 acres will be needed in New Prague, and 61 acres will be required in Jordan.



	Belle Plaine	Elko New Market	Jordan	New Prague	Prior Lake	Savage	Shakopee
2015-2020	21.2	20.4	12.5	17.1	30.1	25.3	89.8
2020-2030	37.3	37.8	23.7	28.5	55.3	32.7	154.3
2030-2040	38.8	38.6	24.8	29.5	54.2	32.8	159.2

- Roughly 40 acres of land is projected to be absorbed annually in Scott County between 2015 and 2040. Land is expected to be absorbed most rapidly in Shakopee (17 acres per year).

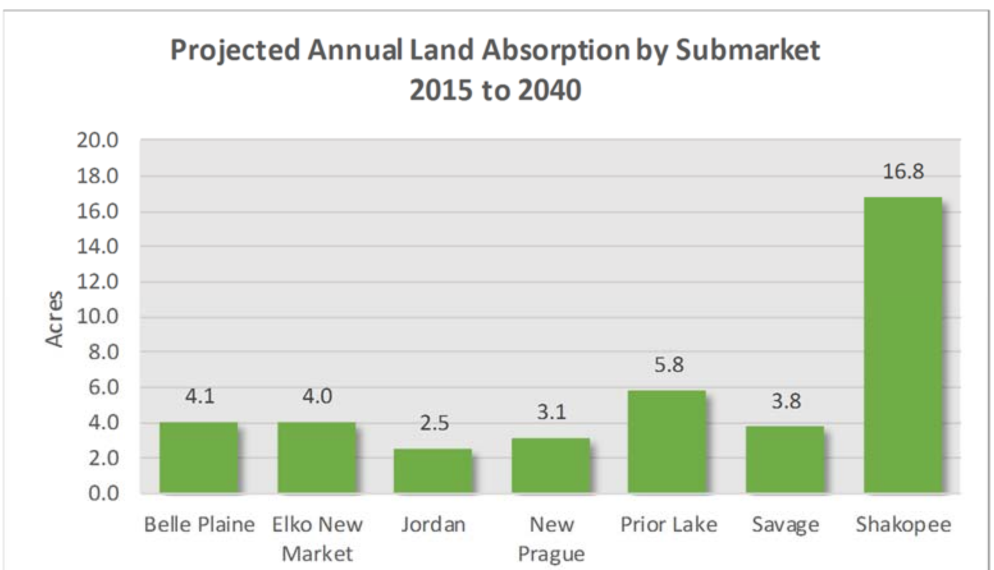


TABLE CR-1
COMMERCIAL/INDUSTRIAL DEMAND SUMMARY
SCOTT COUNTY
2015 - 2040

	---------- Space Demand (Square Feet) ----------					---------- Land Area Requirements (Acres) ----------			
	2015-2020	2020-2030	2030-2040	Total	FAR Range	2015-2020	2020-2030	2030-2040	Total
Retail Submarkets									
Belle Plaine	42,252	76,800	86,508	**205,560**	0.20 - 0.25	3.9 - 4.8	7.1 - 8.8	7.9 - 9.9	18.9 - 23.6
Elko New Market	11,578	19,377	25,559	**56,514**	0.20 - 0.25	1.1 - 1.3	1.8 - 2.2	2.3 - 2.9	5.2 - 6.5
Jordan	30,076	52,908	60,834	**143,818**	0.20 - 0.25	2.8 - 3.5	4.9 - 6.1	5.6 - 7.0	13.2 - 16.5
New Prague	57,364	61,265	64,733	**183,362**	0.20 - 0.25	5.3 - 6.6	5.6 - 7.0	5.9 - 7.4	16.8 - 21.0
Prior Lake	184,236	315,155	313,452	**812,843**	0.20 - 0.25	16.9 - 21.1	28.9 - 36.2	28.8 - 36.0	74.6 - 93.3
Savage	145,764	135,452	133,331	**414,547**	0.20 - 0.25	13.4 - 16.7	12.4 - 15.5	12.2 - 15.3	38.1 - 47.6
Shakopee	158,805	235,327	243,949	**638,081**	0.20 - 0.25	14.6 - 18.2	21.6 - 27.0	22.4 - 28.0	58.6 - 73.2
Subtotal:	**630,075**	**896,284**	**928,366**	**2,454,725**		**58 - 72**	**82 - 103**	**85 - 107**	**225 - 282**
Office Submarkets									
Belle Plaine	34,242	14,403	18,641	**67,286**	0.30 - 0.35	2.2 - 2.6	0.9 - 1.1	1.2 - 1.4	4.4 - 5.1
Elko New Market	17,753	2,924	4,080	**24,757**	0.30 - 0.35	1.2 - 1.4	0.2 - 0.2	0.3 - 0.3	1.6 - 1.9
Jordan	7,981	8,612	11,127	**27,720**	0.30 - 0.35	0.5 - 0.6	0.6 - 0.7	0.7 - 0.9	1.8 - 2.1
New Prague	4,321	13,381	21,031	**38,733**	0.30 - 0.35	0.3 - 0.3	0.9 - 1.0	1.4 - 1.6	2.5 - 3.0
Prior Lake	16,673	47,573	36,187	**100,433**	0.30 - 0.35	1.1 - 1.3	3.1 - 3.6	2.4 - 2.8	6.6 - 7.7
Savage	9,328	18,494	23,078	**50,900**	0.30 - 0.35	0.6 - 0.7	1.2 - 1.4	1.5 - 1.8	3.3 - 3.9
Shakopee	164,447	122,295	174,392	**461,134**	0.30 - 0.35	10.8 - 12.6	8.0 - 9.4	11.4 - 13.3	30.2 - 35.3
Subtotal:	**254,745**	**227,682**	**288,536**	**770,963**		**17 - 19**	**15 - 17**	**19 - 22**	**51 - 59**
Industrial Submarkets									
Belle Plaine	149,270	298,540	298,540	**746,350**	0.25 - 0.30	11.4 - 13.7	22.8 - 27.4	22.8 - 27.4	57.1 - 68.5
Elko New Market	192,694	385,388	385,388	**963,470**	0.25 - 0.30	14.7 - 17.7	29.5 - 35.4	29.5 - 35.4	73.7 - 88.5
Jordan	92,276	184,552	184,552	**461,380**	0.25 - 0.30	7.1 - 8.5	14.1 - 16.9	14.1 - 16.9	35.3 - 42.4
New Prague	111,274	222,548	222,548	**556,370**	0.25 - 0.30	8.5 - 10.2	17.0 - 20.4	17.0 - 20.4	42.6 - 51.1
Prior Lake	84,134	168,268	168,268	**420,670**	0.25 - 0.30	6.4 - 7.7	12.9 - 15.5	12.9 - 15.5	32.2 - 38.6
Savage	85,491	170,982	170,982	**427,455**	0.25 - 0.30	6.5 - 7.9	13.1 - 15.7	13.1 - 15.7	32.7 - 39.3
Shakopee	641,861	1,283,722	1,283,722	**3,209,305**	0.25 - 0.30	49.1 - 58.9	98.2 - 117.9	98.2 - 117.9	245.6 - 294.7
Subtotal:	**1,357,000**	**2,714,000**	**2,714,000**	**6,785,000**		**104 - 125**	**208 - 249**	**208 - 249**	**519 - 623**
County Total:	**2,241,820**	**3,837,966**	**3,930,902**	**10,010,688**		**178 - 216**	**305 - 370**	**312 - 378**	**795 - 964**

Source: Maxfield Research & Consulting, LLC

Land Area Demand Summary vs. SCALE Supply

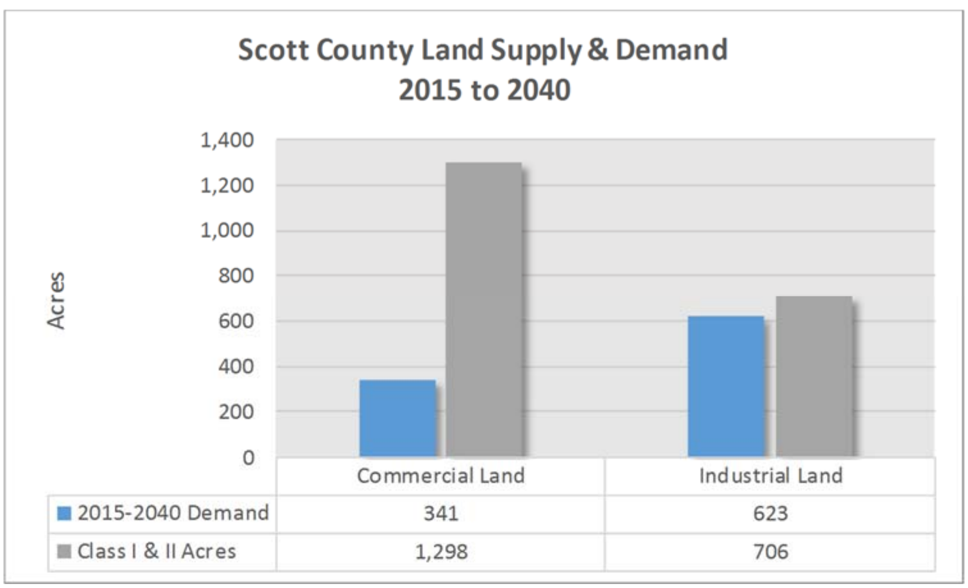
For the commercial and industrial land use sectors, we compared future land area demand requirements between 2015 and 2040 to the amount of Class I and Class II land available (per SCALE data) in each of the Scott County communities. These comparisons are presented in Table CR-2 and in the following points.

Scotty County Land Supply and Demand Summary

- We estimate that up to 964 acres of land will be required to accommodate the projected demand for commercial (office and retail) and industrial development in Scott County between 2015 and 2040, including 341 acres of commercial land and 623 acres of industrial land.

- Based on SCALE data, there is currently 2,004 acres of Class I and Class II land available in the County to support commercial (including mixed use) and industrial development. Approximately 34% of the available land is classified as Class I (671 acres) and 66% is considered Class II (1,333 acres).

- As illustrated in the following graph, there appears to be sufficient land in the County to accommodate the projected demand by 2040; however, there appears to be a disparity between the amount of land slated for commercial development versus industrial development.



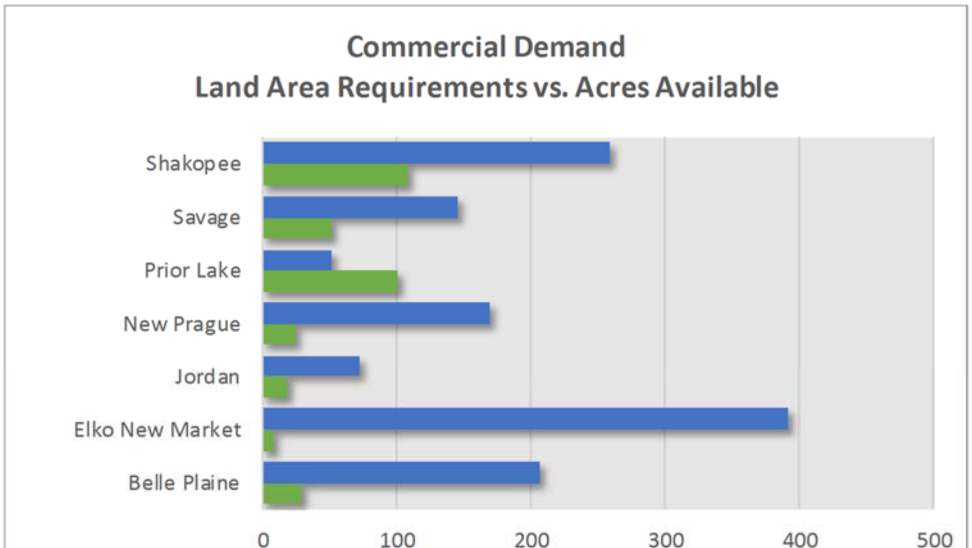
- Nearly 1,300 acres of Class I and II land are classified as commercial against projected demand for 341 acres. At 623 acres, demand for industrial land is projected to be higher than for commercial land, yet there are fewer acres available (706 acres of Class I and II land).

Commercial Land Supply and Demand

- We estimate that up to 341 acres of land will be required in Scott County to accommodate the projected demand for commercial (office and retail) space between 2015 and 2040.

- Based on SCALE data, there is currently 1,298 acres of Class I and Class II land available in the County to support commercial development (including mixed use), suggesting that there is an ample supply of land available.

- As presented in the following chart, commercial land supply is tightest in Prior Lake, as the projected demand (101 acres) will outpace the supply available Class I and II land in the submarket (52 acres).

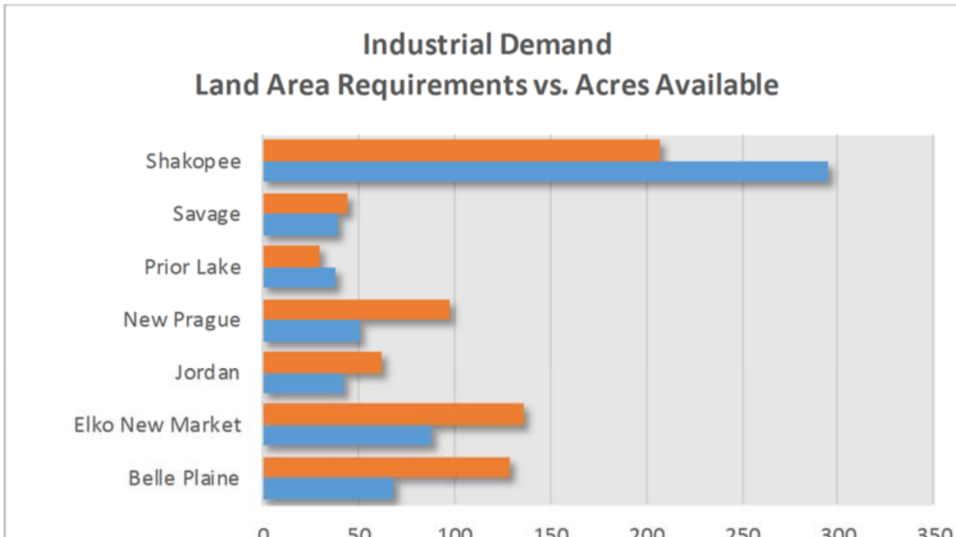


	Belle Plaine	Elko New Market	Jordan	New Prague	Prior Lake	Savage	Shakopee
Class I & II Acres	207	391	72	170	52	146	259
2015-2040 Demand	29	8	19	24	101	51	109

- In the short-term, there is demand for approximately 92 acres through 2020. Currently there are 378 acres classified as Class I sites (pad-ready), therefore there appears to be sufficient shovel-ready land available to meet demand by 2020. Aside from Prior Lake, all other submarkets have enough Class I acreage to meet commercial demand through 2020.

Industrial Land Supply and Demand

- We estimate that up to 623 acres of land will be required in Scott County to accommodate the projected demand for industrial space between 2015 and 2040. Based on SCALE data, there are currently 706 acres of Class I and Class II land available in the County to support industrial development, suggesting that there is an adequate supply of land available. However, we anticipate that industrial development will consume about 88% of the available Class I and Class II land between 2015 and 2040.



	Belle Plaine	Elko New Market	Jordan	New Prague	Prior Lake	Savage	Shakopee
Class I & II Acres	129	137	62	97	30	44	207
2015-2040 Demand	69	88	42	51	39	39	295

- In the short-term, there is demand for approximately 125 acres of industrial land through 2020. Currently 293 acres are classified as Class I industrial sites (pad-ready), therefore there is ample shovel-ready land in the County by 2020. There appears to be a shortage of shovel-ready land in Belle Plaine and Elko New Market. We estimate that there will be demand for nearly 14 acres of industrial land in Belle Plaine by 2020, but there is only one Class I parcel available in the City. There are no Class I sites in Elko New Market, but we project that there will be demand for nearly 18 acres of industrial land by 2020.

- While most submarkets appear to have an adequate supply of Class I and II land available to support industrial demand through 2040, demand for industrial space in Shakopee is expected to exceed the supply of available Class I and II land. There are, however, an additional 1,900 acres of Class III land in Shakopee that could be made development-ready to support demand beyond 2030.

TABLE CR-2
COMMERCIAL/INDUSTRIAL DEMAND SUMMARY
LAND AREA REQUIREMENTS vs. SCALE ACREAGE
SCOTT COUNTY

	---------- Land Area Requirements ----------				---------- SCALE Acreage ----------			
	2015-2020	2020-2030	2030-2040	Total	Class I	Class II	Class III	Total
Commercial*								
Belle Plaine	7.5	9.9	11.4	28.7	24.7	182.3	419.3	626.4
Elko New Market	2.7	2.4	3.2	8.4	23.8	367.7	760.6	1,152.1
Jordan	4.1	6.7	7.8	18.6	16.0	56.0	7.8	79.8
New Prague	6.9	8.1	9.0	24.0	55.3	114.6	181.1	351.1
Prior Lake	22.4	39.8	38.7	101.0	12.4	39.5	207.4	259.3
Savage	17.4	17.0	17.1	51.5	52.4	93.4	0.0	145.9
Shakopee	30.8	36.4	41.3	108.5	193.3	66.1	380.3	639.8
Subtotal:	**92**	**120**	**129**	**341**	**378**	**920**	**1,957**	**3,254**
Industrial								
Belle Plaine	13.7	27.4	27.4	68.5	1.0	127.8	554.2	683.0
Elko New Market	17.7	35.4	35.4	88.5	0.0	136.5	81.0	217.5
Jordan	8.5	16.9	16.9	42.4	52.8	9.7	61.5	124.0
New Prague	10.2	20.4	20.4	51.1	19.9	77.4	135.4	232.7
Prior Lake	7.7	15.5	15.5	38.6	15.8	13.8	372.2	401.9
Savage	7.9	15.7	15.7	39.3	20.8	23.3	0.0	44.0
Shakopee	58.9	117.9	117.9	294.7	182.5	24.8	1,957.8	2,165.1
Subtotal:	**125**	**249**	**249**	**623**	**293**	**413**	**3,162**	**3,868**
County Total:	**216**	**370**	**378**	**964**	**671**	**1,333**	**5,119**	**7,123**

*Commercial combines office and retail demand from Maxfield Research along with commercial and mixed use land from SCALE

Sources: SCALE; Maxfield Research & Consulting, LLC

Demand Summary by Submarket

The figure outlined on the following pages summarizes our demand findings for each submarket by product type and time period.

Belle Plaine				
Space Demand (SF)	**2015-2020**	**2020-2030**	**2030-2040**	**Total**
Retail	42,252	76,800	86,508	**205,560**
Office	34,242	14,403	18,641	**67,286**
Industrial	149,270	298,540	298,540	**746,350**
Total	**225,764**	**389,743**	**403,689**	**1,019,196**
Land Demand (Acres)	**2015-2020**	**2020-2030**	**2030-2040**	**Total**
Retail	4.8	8.8	9.9	**23.6**
Office	2.6	1.1	1.4	**5.1**
Industrial	13.7	27.4	27.4	**68.5**
Total	**21.1**	**37.3**	**38.7**	**97.2**
Class I & II Land Supply (Acres)				**Total**
Commercial				**207.1**
Industrial				**128.8**
Total				**335.9**

Elko New Market				
Space Demand (SF)	**2015-2020**	**2020-2030**	**2030-2040**	**Total**
Retail	11,578	19,377	25,559	**56,514**
Office	17,753	2,924	4,080	**24,757**
Industrial	192,694	385,388	385,388	**963,470**
Total	**222,025**	**407,689**	**415,027**	**1,044,741**
Land Demand (Acres)	**2015-2020**	**2020-2030**	**2030-2040**	**Total**
Retail	1.3	2.2	2.9	**6.5**
Office	1.4	0.2	0.3	**1.9**
Industrial	17.7	35.4	35.4	**88.5**
Total	**20.4**	**37.8**	**38.6**	**96.9**
Class I & II Land Supply (Acres)				**Total**
Commercial				**391.5**
Industrial				**136.5**
Total				**528.0**

Jordan				
Space Demand (SF)	**2015-2020**	**2020-2030**	**2030-2040**	**Total**
Retail	30,076	52,908	60,834	**143,818**
Office	7,981	8,612	11,127	**27,720**
Industrial	92,276	184,552	184,552	**461,380**
Total	**130,333**	**246,072**	**256,513**	**632,918**
Land Demand (Acres)	**2015-2020**	**2020-2030**	**2030-2040**	**Total**
Retail	3.5	6.1	7.0	**16.5**
Office	0.6	0.7	0.9	**2.1**
Industrial	8.5	16.9	16.9	**42.4**
Total	**12.6**	**23.6**	**24.8**	**61.0**
Class I & II Land Supply (Acres)				**Total**
Commercial				**72.0**
Industrial				**62.5**
Total				**134.5**

New Prague				
Space Demand (SF)	**2015-2020**	**2020-2030**	**2030-2040**	**Total**
Retail	57,364	61,265	64,733	**183,362**
Office	4,321	13,381	21,031	**38,733**
Industrial	111,274	222,548	222,548	**556,370**
Total	**172,959**	**297,194**	**308,312**	**778,465**
Land Demand (Acres)	**2015-2020**	**2020-2030**	**2030-2040**	**Total**
Retail	6.6	7.0	7.4	**21.0**
Office	0.3	1.0	1.6	**3.0**
Industrial	10.2	20.4	20.4	**51.1**
Total	**17.1**	**28.5**	**29.5**	**75.1**
Class I & II Land Supply (Acres)				**Total**
Commercial				**170.0**
Industrial				**97.3**
Total				**267.3**

Prior Lake				
Space Demand (SF)	**2015-2020**	**2020-2030**	**2030-2040**	**Total**
Retail	184,236	315,155	313,452	**812,843**
Office	16,673	47,573	36,187	**100,433**
Industrial	84,134	168,268	168,268	**420,670**
Total	**285,043**	**530,996**	**517,907**	**1,333,946**
Land Demand (Acres)	**2015-2020**	**2020-2030**	**2030-2040**	**Total**
Retail	21.1	36.2	36.0	**93.3**
Office	1.3	3.6	2.8	**7.7**
Industrial	7.7	15.5	15.5	**38.6**
Total	**30.1**	**55.3**	**54.3**	**139.6**
Class I & II Land Supply (Acres)				**Total**
Commercial				**51.9**
Industrial				**29.6**
Total				**81.5**

Savage				
Space Demand (SF)	**2015-2020**	**2020-2030**	**2030-2040**	**Total**
Retail	145,764	135,452	133,331	**414,547**
Office	9,328	18,494	23,078	**50,900**
Industrial	85,491	170,982	170,982	**427,455**
Total	**240,583**	**324,928**	**327,391**	**892,902**
Land Demand (Acres)	**2015-2020**	**2020-2030**	**2030-2040**	**Total**
Retail	16.7	15.5	15.3	**47.6**
Office	0.7	1.4	1.8	**3.9**
Industrial	7.9	15.7	15.7	**39.3**
Total	**25.3**	**32.6**	**32.8**	**90.8**
Class I & II Land Supply (Acres)				**Total**
Commercial				**145.9**
Industrial				**44.0**
Total				**189.9**

Shakopee				
Space Demand (SF)	**2015-2020**	**2020-2030**	**2030-2040**	**Total**
Retail	158,805	235,327	243,949	**638,081**
Office	164,447	122,295	174,392	**461,134**
Industrial	641,861	1,283,722	1,283,722	**3,209,305**
Total	**965,113**	**1,641,344**	**1,702,063**	**4,308,520**
Land Demand (Acres)	**2015-2020**	**2020-2030**	**2030-2040**	**Total**
Retail	18.2	27.0	28.0	**73.2**
Office	12.6	9.4	13.3	**35.3**
Industrial	58.9	117.9	117.9	**294.7**
Total	**89.7**	**154.3**	**159.2**	**403.2**
Class I & II Land Supply (Acres)				**Total**
Commercial				**259.5**
Industrial				**207.3**
Total				**466.8**

Scott County				
Space Demand (SF)	**2015-2020**	**2020-2030**	**2030-2040**	**Total**
Retail	630,075	896,284	928,366	**2,454,725**
Office	254,745	227,682	288,536	**770,963**
Industrial	1,357,000	2,714,000	2,714,000	**6,785,000**
Total	**2,241,820**	**3,837,966**	**3,930,902**	**10,010,688**
Land Demand (Acres)	**2015-2020**	**2020-2030**	**2030-2040**	**Total**
Retail	72.2	102.9	106.6	**281.6**
Office	19.5	17.4	22.1	**59.0**
Industrial	124.6	249.2	249.2	**623.1**
Total	**216.3**	**369.5**	**377.9**	**963.7**
Class I & II Land Supply (Acres)				**Total**
Commercial				**1,297.9**
Industrial				**706.0**
Total				**2,003.9**

Job Creation

Based on our demand projections, we provide job creation estimates based on real estate product type. The job creation estimates are derived from standard industry metrics regarding the average number of square feet per employee.

Based on a United States Department of Energy survey, there is an average of 945 square feet per worker in retail and services buildings. According to the National Association of Office and Industrial Professionals (NAIOP), office space requirements are contracting, from roughly 300 square feet per employee in the mid-2000s to about 175 square feet currently. We anticipate that the amount of office space per employee will drop to 170 square feet by 2030. NAIOP estimates that there are approximately 1,063 square feet of occupied industrial space per employee in the Twin Cities Metro Area.

As depicted in Table CR-3, 2.45 million square feet of retail space developed in the County between 2015 and 2040 would accommodate approximately 2,600 jobs. The addition of 771,000 square feet of office space in the County would support an estimated 4,535 jobs, and 6.8 million square feet of new industrial space would house approximately 6,462 jobs.

In total, we project that Scott County could support roughly 10.0 million square feet of new commercial and industrial space between 2015 and 2040, which could accommodate roughly 13,600 new jobs. Additional job growth could be supported by other real estate product types, such as lodging, educational, institutional, etc.

TABLE CR-3
POTENTIAL JOB CREATION
SCOTT COUNTY
2015 - 2040

	Demand Summary	Job Creation	
Property Type	2015 - 2040	Sq. Ft. /Job	Jobs
Retail	2,454,725 Sq. Ft.	945	2,598
Office	770,963 Sq. Ft.	170	4,535
Industrial	6,785,000 Sq. Ft.	1,050	6,462
Potential Job Creation:			13,595

Source: Maxfield Research & Consulting, LLC

Commercial/Industrial Recommendations

Providing an adequate supply of land to support future development will be critical to the efforts to maintaining and creating a prosperous County. Having available land zoned for commercial and industrial development will support job growth in multiple business sectors. A suitable land supply should consist of commercial and industrial parcels in various sizes and locations. Additionally, the land available for development will need to be served with necessary access and infrastructure. An inadequate supply of development-ready land would likely increase real estate costs and potentially restrain job growth and economic expansion. Absent an adequate supply of land, local start-ups could find real estate costs to be too high, and firms would seek sites in other locations where land is available and less costly.

The following recommendations are intended to guide Scott County, cities, and townships in assessing commercial and industrial development while guiding economic development initiatives concerning the creation, attraction, expansion, and retention of jobs.

Jobs to Labor Force Goal

As of year-end 2016, Scott County's labor force totaled 78,384 people according to data published by the Minnesota Department of Employment and Economic Development. Previous labor force projections for Scott County as of 2015 estimated a labor force of 85,647, but the actual number is currently less as shown above. Total jobs as of 2nd Quarter 2016 (47,953) equates to a capture rate of 61% of the employed residents in the County (if all jobs were to be held by County residents). By 2025, Scott County's labor force is projected to total 95,843 people. In order to reach a targeted ratio of 50% of jobs in Scott County as compared to the labor force would equate to a need for an employment base in Scott County of 47,922 jobs. As of 2016, Scott County has already met this goal and we anticipate that jobs in Scott County would rise to a level that will exceed the 50% ratio. By 2030, labor force projections would total approximately 106,175, assuming a 2.5% annual growth in the labor force between 2020 and 2030. At a targeted ratio of 50% of jobs to labor force, this would equate to total jobs of 53,088. Jobs in Scott County by 2030 are projected to total 61,990, which will exceed the projected ratio of 50% by 8%. By 2040, the labor force in Scott County is projected to be 135,913 and the projected employment base would be 68,440. At this level, the ratio of jobs to labor force would be 50%, down slightly from 58% in 2030, but still meeting the target goal.

JOBS TO LABOR FORCE RATIO
SCOTT COUNTY
2016 to 2040

Year	Jobs	Labor Force	Ratio
2016	47,953	78,384	61.2%
2020	54,900	86,144	63.7%
2030	61,990	106,175	58.4%
2040	68,440	135,913	50.4%

Sources: MN DEED; Metropolitan Council; Maxfield Research

According to the 2016 figures, the County has met its targeted jobs to labor force ratio. Based on projected employment growth in the County this figure is anticipated to increase slight by 2020, then decrease in 2030 and 2040 based on current projections. The State Demographer is anticipating that labor force growth will slow beyond 2020 as there are expected to be fewer workers in Minnesota. It will be important to consider initiatives such as increased in-migration of younger workers, attracting young to mid-age workers to Scott County to provide a sufficient number of jobs based on the projected labor force growth.

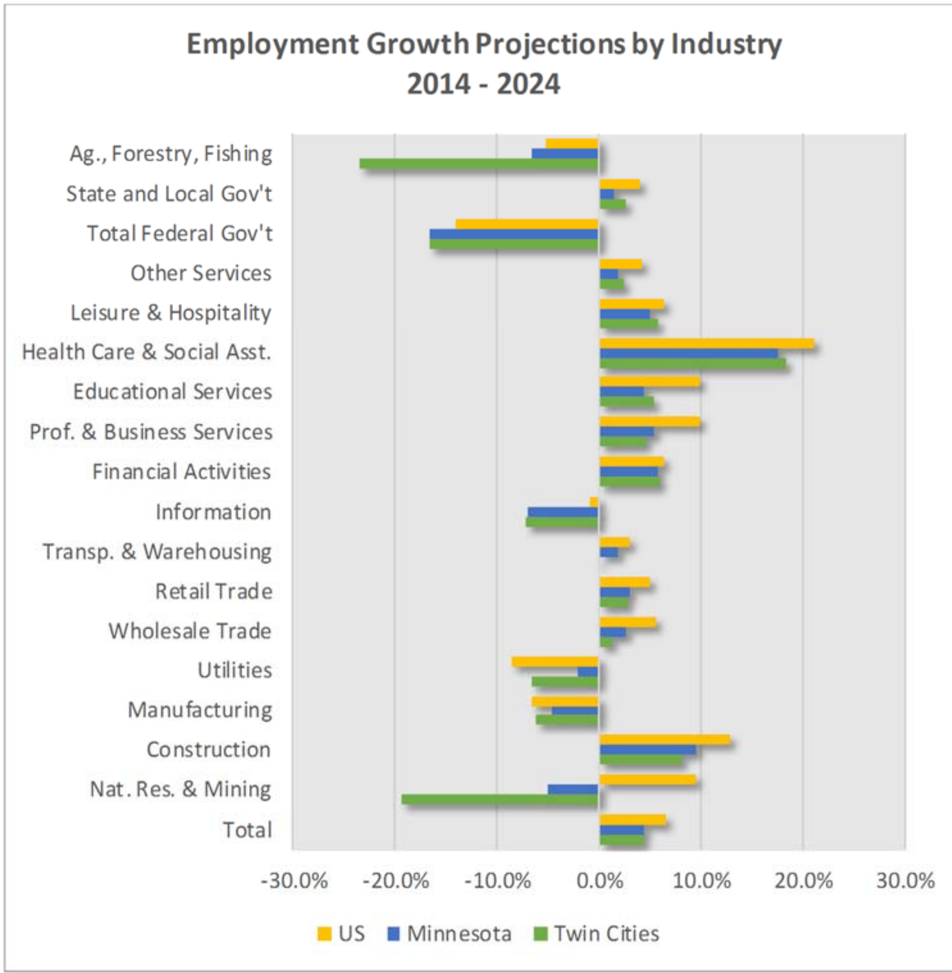
Target Industries

We suggest Scott County develop a cluster-based strategy in business recruitment efforts. Cluster development is a tool for improving regional competiveness by actively pursuing industry sectors where Scott County has a distinct competitive advantage. Companies that locate in a cluster benefit from collaboration and innovation, a skilled labor force, and coordinated efforts that can reduce overhead through economics of scale. These advantages often result in greater potential for employment growth and wealth creation.

The chart on the following page and Table CR-4 depict employment forecasts by industry sector from 2014 to 2024 in the Twin Cities compared to projected growth rates in Minnesota and the United States. The data was compiled from the U.S. Bureau of Labor Statistics and the Minnesota Department of Employment and Economic Development.

- Job growth in the Twin Cities Metro Area (+4.4%) from 2014 to 2024 is projected to approximate the rate of growth in Minnesota (+4.3%), but trail the national rate of growth (+6.5%). The Metro Area is expected to experience solid job growth through 2020, but the pace of growth is projected to slow after 2020 as the region faces potential labor force shortages and a surge in retirements.

- The pace of employment growth in the Twin Cities is expected to be slower than the national rate of growth across all industry sectors.



- Aside from the Construction sector, which is projected to expand 8.1%, the goods-producing industry segments are expected to contract -2.7% by 2024, while the service-producing sectors expand 5.5% in the Twin Cities.

- As illustrated in the chart, industries and occupations related to Health care and Social Assistance are projected to experience the greatest growth between 2014 and 2024. The Professional and Business Services, Leisure and Hospitality, and Financial Activities sectors are also projected to experience strong growth.

TABLE CR-4
EMPLOYMENT PROJECTIONS BY INDUSTRY
TWIN CITIES COMPARED TO MINNESOTA & UNITED STATES
2014 to 2024

	Twin Cities Metro Area				MN	US
Industry Sector	**2014**	**2024**	**No. Ch.**	**Pct Ch.**	**Pct Ch.**	**Pct Ch.**
Total, All Industries	**1,809,309**	**1,889,240**	**79,931**	**4.4%**	**4.3%**	**6.5%**
Goods-Producing Domain	**229,509**	**223,337**	**-6,172**	**-2.7%**	**-1.3%**	**0.3%**
Natural Resources & Mining	3,643	2,936	-707	-19.4%	-5.0%	9.5%
Construction	60,237	65,117	4,880	8.1%	9.6%	12.9%
Manufacturing	165,629	155,284	-10,345	-6.2%	-4.6%	-6.7%
Service-Providing Domain	**1,500,734**	**1,582,986**	**82,252**	**5.5%**	**5.6%**	**7.7%**
Utilities	5,512	5,143	-369	-6.7%	-2.2%	-8.7%
Wholesale Trade	90,977	92,081	1,104	1.2%	2.6%	5.6%
Retail Trade	161,261	165,714	4,453	2.8%	3.1%	5.0%
Transportation & Warehousing	53,140	53,069	-71	-0.1%	1.8%	2.9%
Information	38,522	35,768	-2,754	-7.1%	-6.9%	-1.0%
Financial Activities	139,820	148,199	8,379	6.0%	5.8%	6.4%
Professional & Business Services	288,150	301,221	13,071	4.5%	5.4%	9.9%
Educational Services	40,342	42,544	2,202	5.5%	4.4%	9.9%
Health Care & Social Assistance	238,408	282,216	43,808	18.4%	17.5%	21.0%
Leisure & Hospitality	161,303	170,509	9,206	5.7%	5.0%	6.4%
Other Services	80,631	82,540	1,909	2.4%	1.8%	4.2%
Total Federal Government	19,404	16,181	-3,223	-16.6%	-16.7%	-14.0%
State and Local Government	86,228	88,552	2,324	2.7%	1.5%	4.0%
Agriculture, Forestry, Fishing & Hunting	**2,952**	**2,259**	**-693**	**-23.5%**	**-6.6%**	**-5.2%**

Sources: MN DEED; Bureau of Labor Statistics; Maxfield Research & Consulting, LLC

Table CR-5 on the following page depicts the high wage industry sectors that are expected to experience strong job growth between 2014 and 2024 in the Metro Area, as projected by MN DEED. As defined by MN DEED, high growth/high pay industries are those that represent at least 0.1% of total employment in 2014, have an annual median salary which is higher than the average for 2014, and are projected to grow at a rate which is higher than the average growth rate.

- As illustrated in the table, health-care related industries are expected to grow rapidly during the 2014 to 2024 period. Other high pay industries that are projected to experience above-average growth across multiple sectors include Finance Activities, Construction, Professional and Business Services, and Wholesale Trade.

TABLE CR-5
HIGH GROWTH/HIGH PAY JOB GROWTH PROJECTIONS
TWIN CITIES METRO AREA
2014 to 2024

NAICS Code	Industry	2014 Employment	Pct. Growth by 2024	Median Annual Salary 2014
6219	Other Ambulatory Health Care Services	4,738	42.1	$58,136
6214	Outpatient Care Centers	6,989	30.0	$74,828
5112	Software Publishers	5,463	22.9	$103,792
5313	Activities Related to Real Estate	10,511	22.4	$48,100
4541	Electronic Shopping & Mail-Order Houses	6,351	21.8	$75,244
5415	Computer Systems Design and Rel Services	30,730	18.4	$102,128
5416	Management & Technical Consulting Svc	14,474	17.8	$89,960
6211	Offices of Physicians	28,685	17.5	$94,380
4931	Warehousing and Storage	4,643	17.0	$56,056
4245	Farm Product Merchant Wholesalers	3,661	16.7	$129,740
4239	Misc Durable Goods Merchant Wholesalers	4,108	14.6	$62,296
5239	Other Financial Investment Activities	6,028	13.2	$173,264
2361	Residential Building Construction	5,460	12.7	$53,768
6212	Offices of Dentists	9,624	11.3	$56,628
5419	Other Professional & Technical Services	11,342	10.9	$57,460
4251	Electronic Markets and Agents/Brokers	20,577	10.2	$96,512
5242	Insurance Agencies, Brokerages & Support	15,113	9.9	$79,560
2382	Building Equipment Contractors	18,026	9.8	$70,200
3353	Electrical Equipment Manufacturing	3,691	9.5	$74,984
2381	Building Foundation/Exterior Contractors	7,218	9.0	$56,940
4411	Automobile Dealers	11,396	8.8	$53,664
5182	Data Processing and Related Services	6,193	8.0	$82,576
2362	Nonresidential Building Construction	8,729	7.8	$83,096
5221	Depository Credit Intermediation	26,933	7.0	$80,600
5241	Insurance Carriers	37,995	6.6	$114,348
6111	Elementary and Secondary Schools	15,472	6.1	$48,204
2383	Building Finishing Contractors	9,033	5.8	$51,428
5413	Architectural and Engineering Services	15,873	5.2	$80,756
5231	Security & Commodity Investment Activity	10,439	4.5	$144,404

Sources: MN DEED; Maxfield Research & Consulting, LLC

Maxfield Research recommends targeting emerging industries in order to maintain a competitive edge in today's global competition for jobs and industry. At the same time however, we do not recommend revamping current economic development efforts but a gradual implementation process.

Clusters should be pursued in five to ten growth industries while also planning for alternative real estate types and businesses that support a given industry. Examples of potential industry clusters may include (not in any particular order):

- Healthcare and life sciences
- Diversified manufacturing and services
- Medical manufacturing and biotechnology
- Business and professional services
- Information and communication
- Sustainable/Green manufacturing and services
- Transportation and logistics (i.e. warehousing, freight hauling, and wholesalers).

Locations

Demand for commercial and industrial land will be spread throughout the County over the next two decades. Elko New Market, Shakopee, and Belle Plaine have the most development-ready land, but recent building permit activity has been strongest in Shakopee, Savage and Jordan and these communities are projected to account for the majority of demand to 2020. In fact, Shakopee is projected to account for roughly 42% of all land absorption among the seven submarkets to 2020. However, as the supply of development-ready land in Shakopee gets absorbed, development, particularly industrial development, may shift to other areas of the County, most notably to Elko New Market.

Although we project land absorption for each submarket, there are a combination of factors that contribute to site selection, with land being just one of them. Economic conditions will impact site selection decisions over the long-term. As such, our demand projections are provided only as a baseline and could be surpassed (or underperformed) based on the end-user and their individual needs. The following bullet points outline key factors that will be considered in evaluating future locations. The right mix of factors may allow firms in one location to produce goods and services more economically than in other locations. Key factors include (among others):

- Land use policy
- Infrastructure and utilities
- Proximity to highways and transit
- Access and visibility
- Existing uses and size of development
- Parcel characteristics
- Local and Regional economic impact
- Market trends and performance
- Demographics
- Labor force
- Economic Development Incentives
- Financial Capital

Incentives

Although a detailed review of all of the incentive programs was beyond the scope of this study, we have outlined key incentive programs throughout Scott County by municipality. As illustrated, there is wide-range of incentive programs that varies considerably between communities.

Scott County faces increased competition in cities and states that have greater financial incentives and lower tax rates. We recommend further collaboration between Scott County and municipalities to identify best-in-class and creative incentive policies that are being used in other regions and markets in the U.S.

Belle Plaine

- Revolving Loan Fund
- Façade Improvement Loan Program
- Tax Abatement and Tax Increment Financing (TIF)
- City website for marketing property/vacant building & land inventories
- Ongoing business retention visits

Elko New Market

- Economic Development Authority
- Tax Increment Financing and Tax Abatement

Jordan

- Economic Development Authority (marketing, strategic planning)
- Downtown Building Façade Improvement Program
- Tax Increment Financing (TIF)
- Tax Abatement Program
- City website for marketing properties
- Retention visits
- Jobs for Fees Programs
- Internal Grant for Downtown District

New Prague

- Economic Development Authority (marketing, strategic planning)
- City website for marketing properties
- City annual inventory of commercial land and building vacancy
- Tax Abatement and Tax Increment Financing (TIF)
- JOBZ
- Small Cities Development Program for Downtown New Prague
- Industrial park lots owned and developed by City

Prior Lake

- Tax Increment Financing (TIF)
- Low interest development loans
- Downtown Building Façade Improvement Program
- City Website and Marketing Brochures
- Business Retention Surveys

Savage

- Business Retention Surveys
- Tax Abatement and Tax Increment Financing (TIF)
- Hwy 13 Corridor Business Façade
- Screening and Trash Enclosure Grant Program

Shakopee

- Economic Development Authority
- Economic Development Advisory Committee
- Tax Abatement and Tax Increment Financing (TIF)
- Downtown and First Avenue Façade Improvement Loan Program
- City inventory and map of vacant commercial and industrial buildings and land
- City website for marketing properties

Scott County

- Tax Abatement and Tax Increment Financing support
- Workforce Development Center through Dakota Scott Workforce Investment Board (job training)
- State and Federal Loan Grants
- Bonding Programs
- Countywide Fiber Ring
- GreaterMSP.org
- Scott County CDA

Minnesota Department of Employment and Economic Development (DEED)

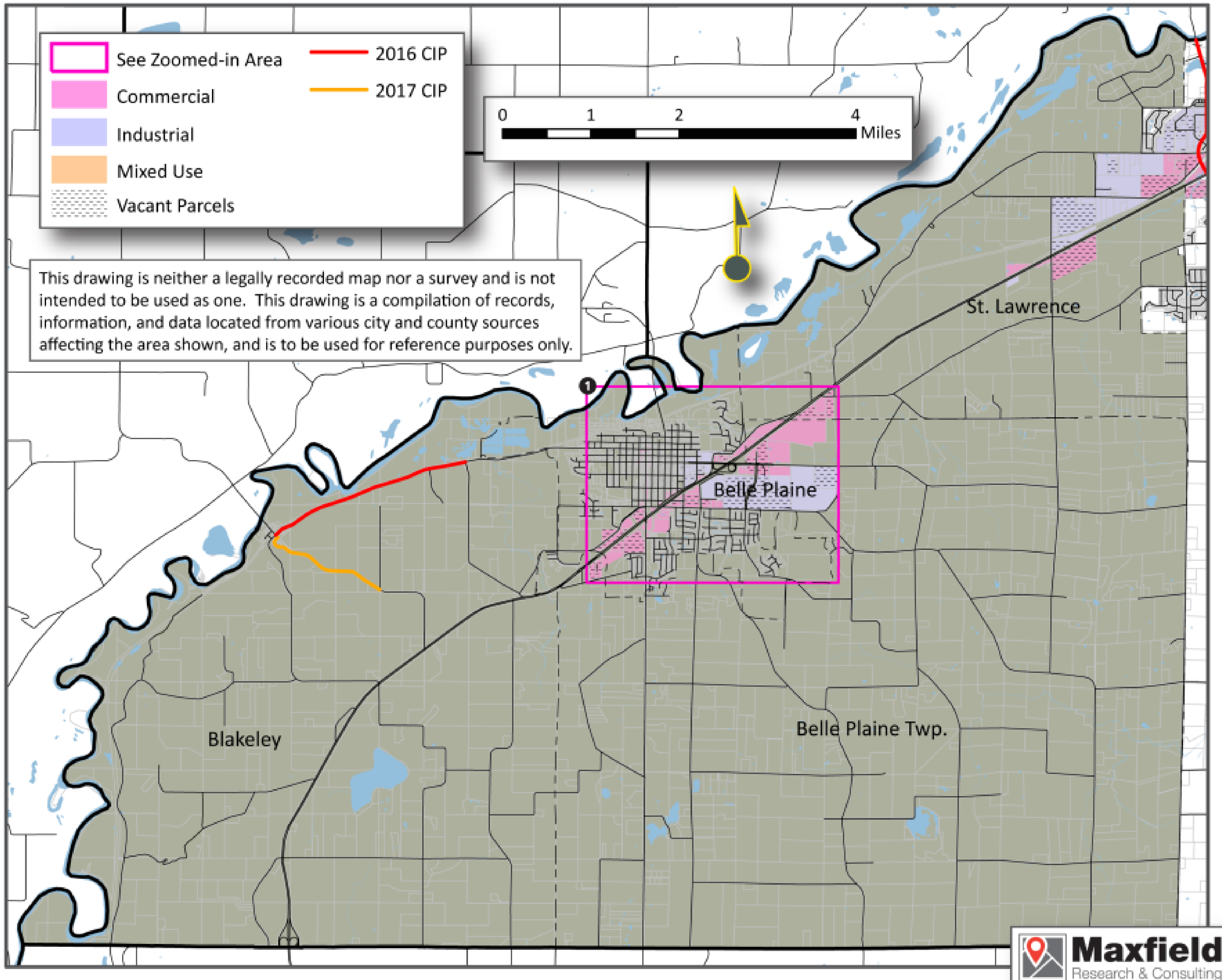
According to our broker interviewees and with our past experience with industrial development, the importance of "shovel ready" status is increasing. As the competition for economic development has become global, it is important to maintain a competitive advantage in today's business climate. The ability to respond quickly to business needs will better enable communities to attract business growth. Some companies are unwilling to wait for a community to develop a site and will seek site locations in communities that are shovel-ready.

Shovel-ready sites are a benefit to companies and site selectors because they reduce time, expense, and some risk out of the real estate development process. Furthermore, these sites tend to reduce overall development costs for cost-conscious companies. DEED has implemented a Certified Shovel-Ready site program that markets these properties at a national-level.

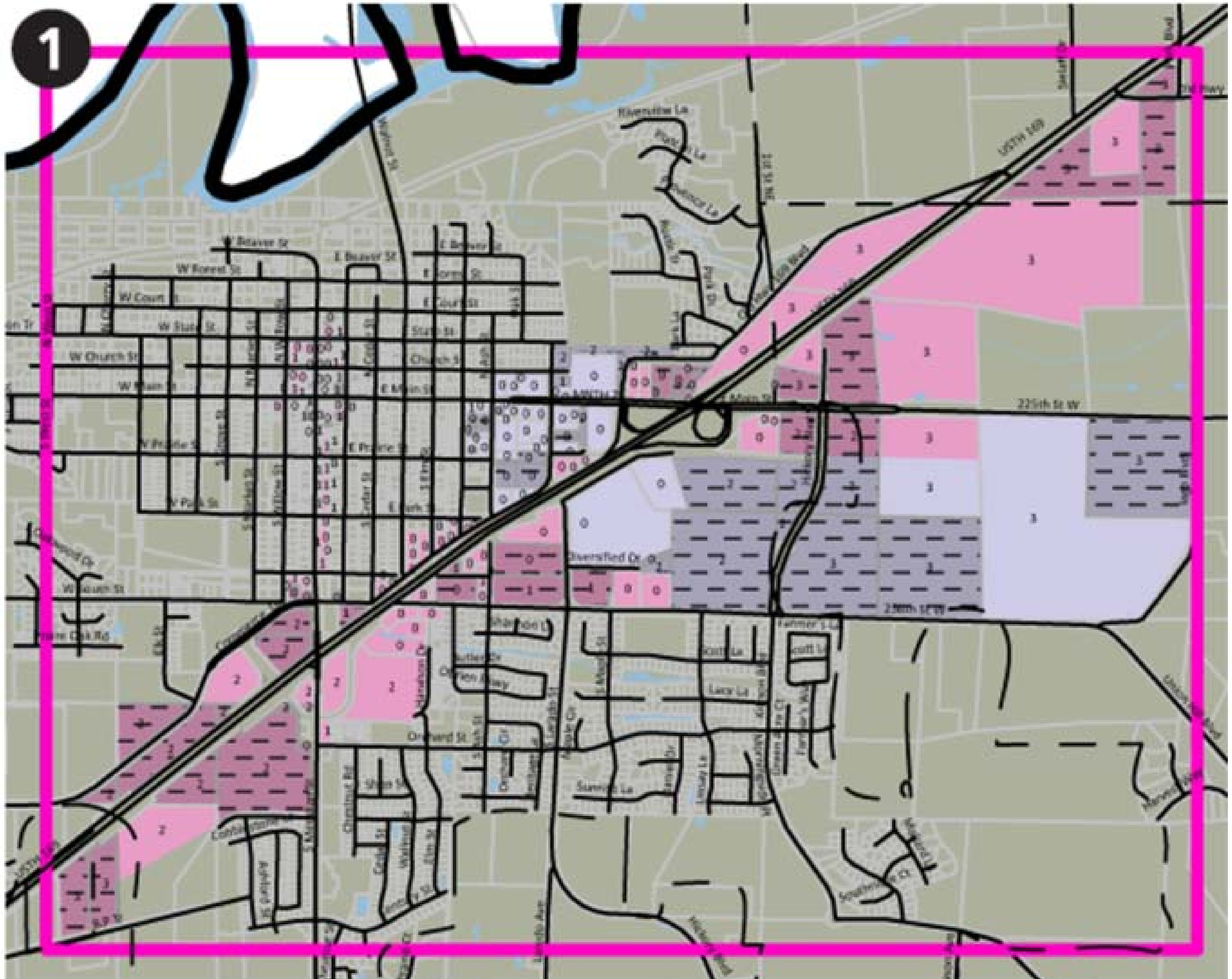
After reviewing sites across Minnesota that are certified, there are currently 34 shovel-ready certified sites in Minnesota. As of November 2016, New Prague is the only community in Scott County with a shovel-ready certified site. Therefore, we recommend individual communities consider promoting sites under this program to increase market exposure

Finally, we recommend marketing Scott County regionally, nationally, and globally through recruitment trade shows.

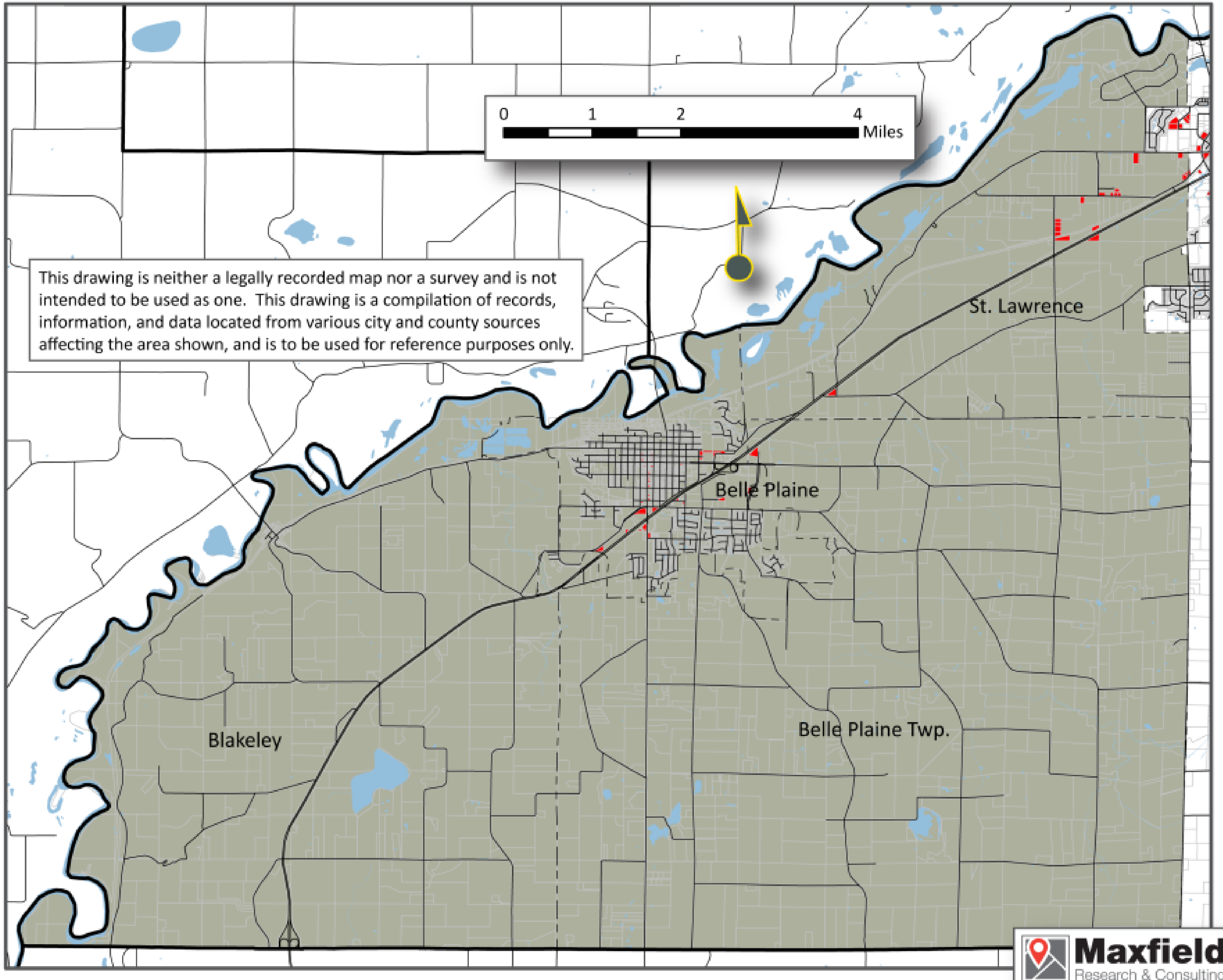
Belle Plaine Submarket CIP and SCALE



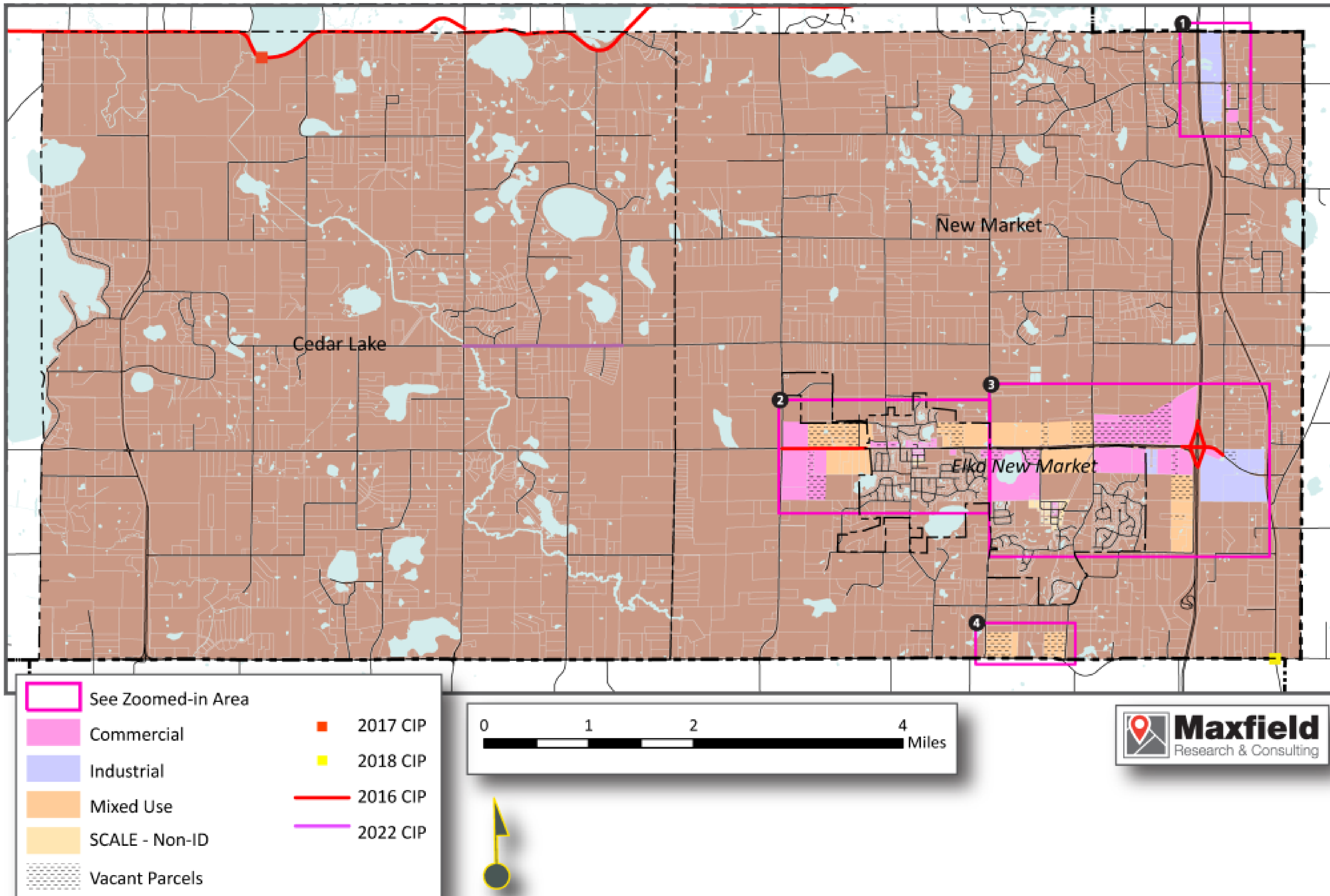
Belle Plaine Submarket Zoom Area 1



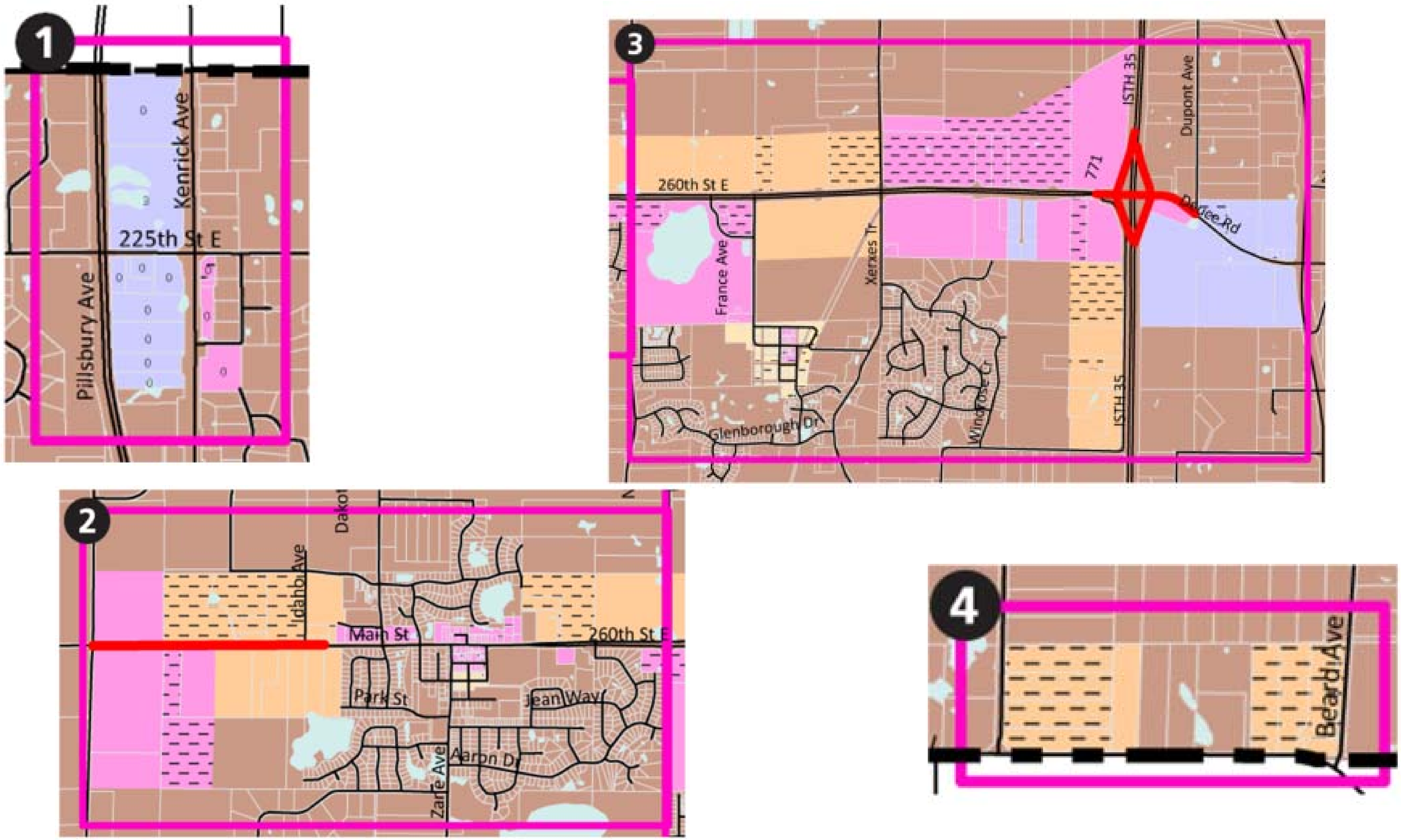
Belle Plaine Submarket SCALE Parcels Under 5 Acres



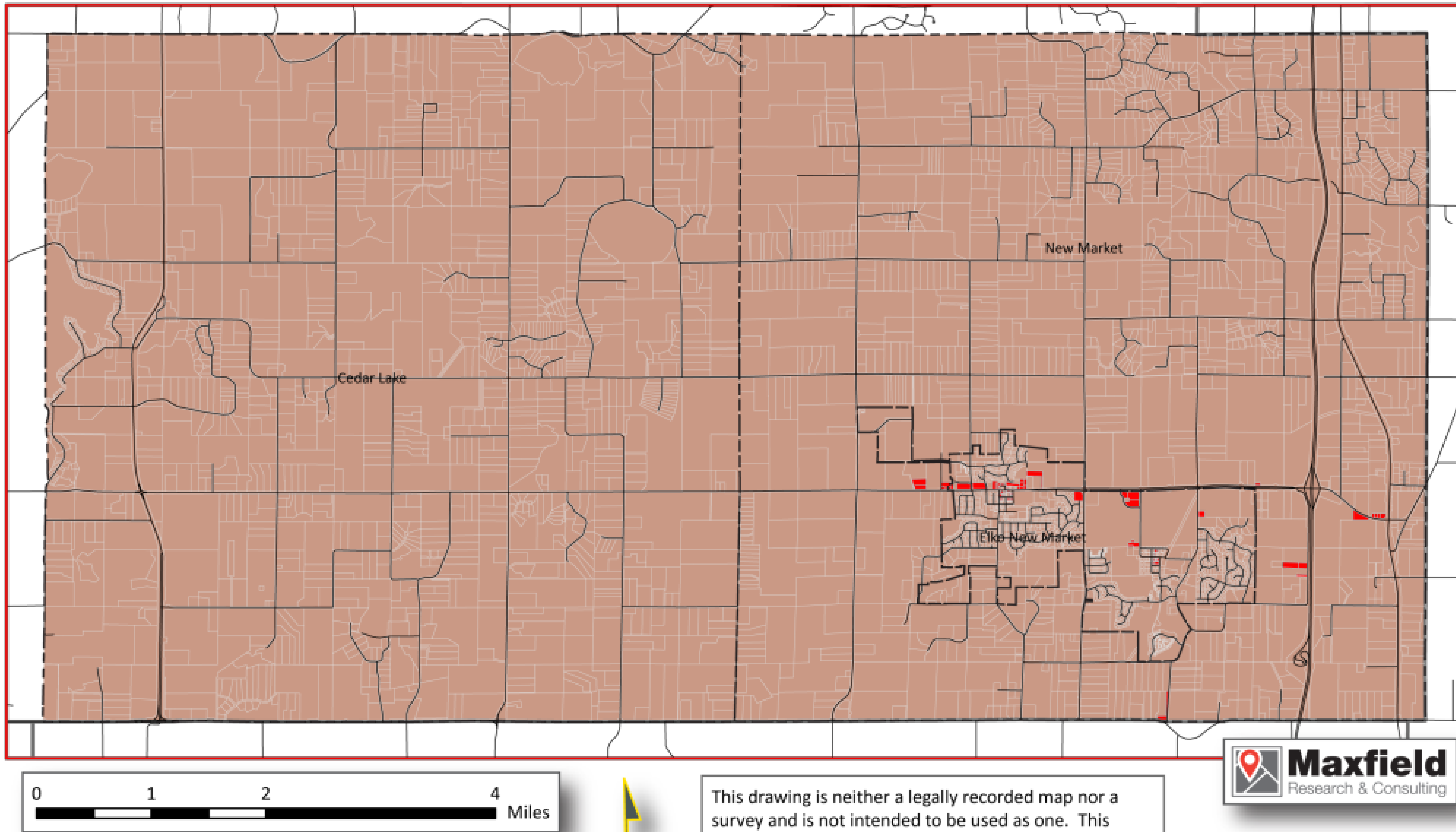
Elko New Market Submarket CIP and SCALE



Elko New Market Submarket Zoom Areas 1 – 4

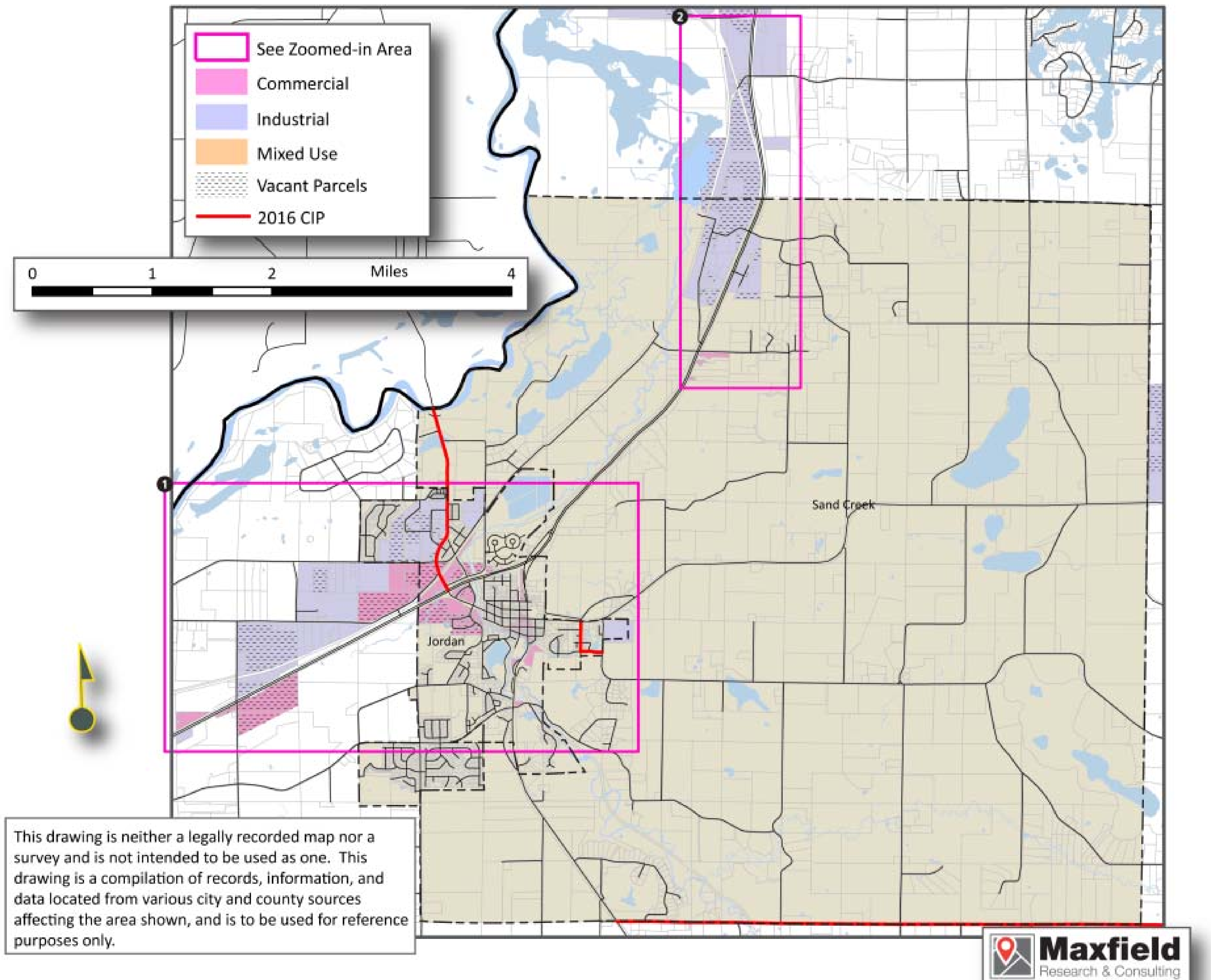


Elko New Market Submarket SCALE Parcels Under 5 Acres

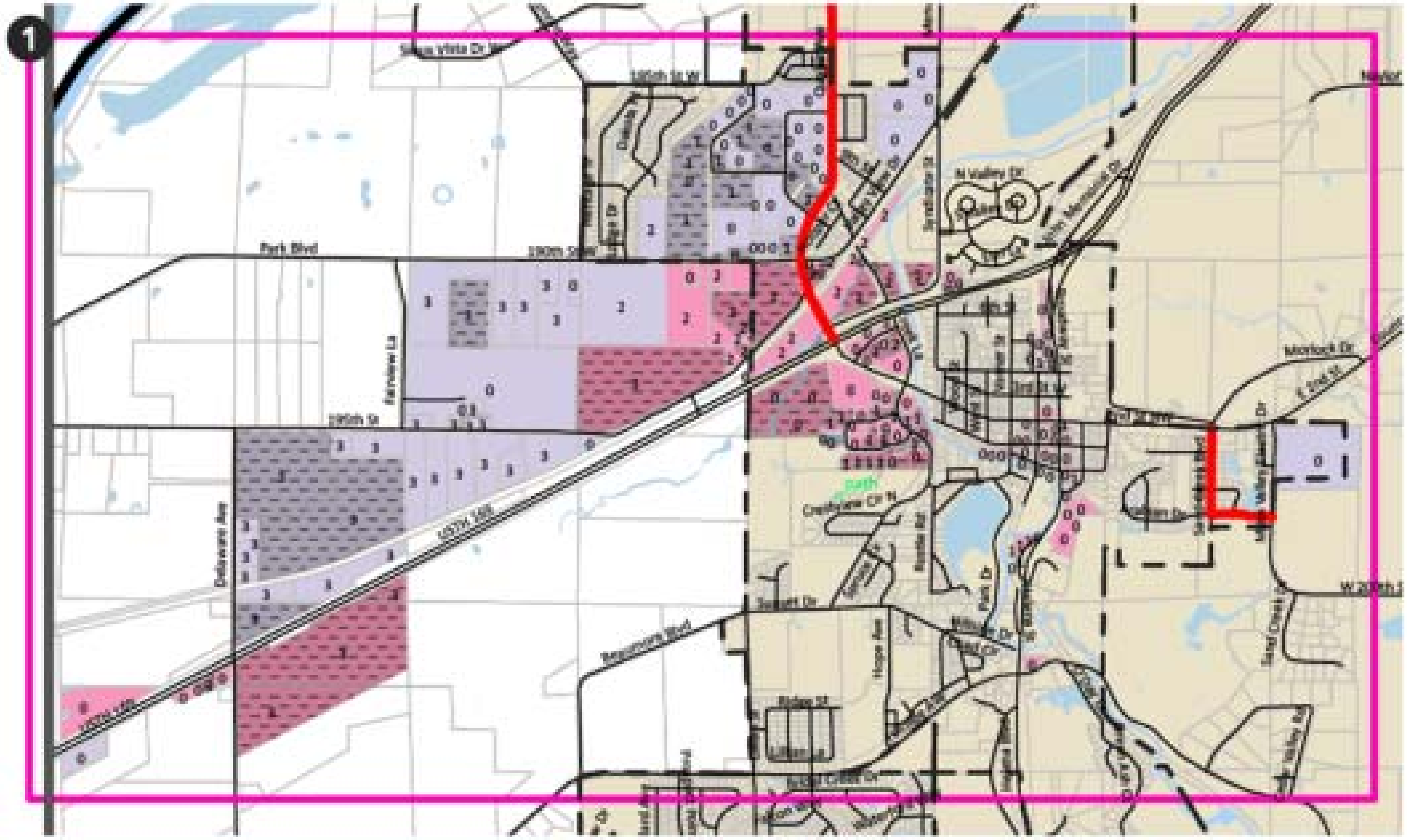


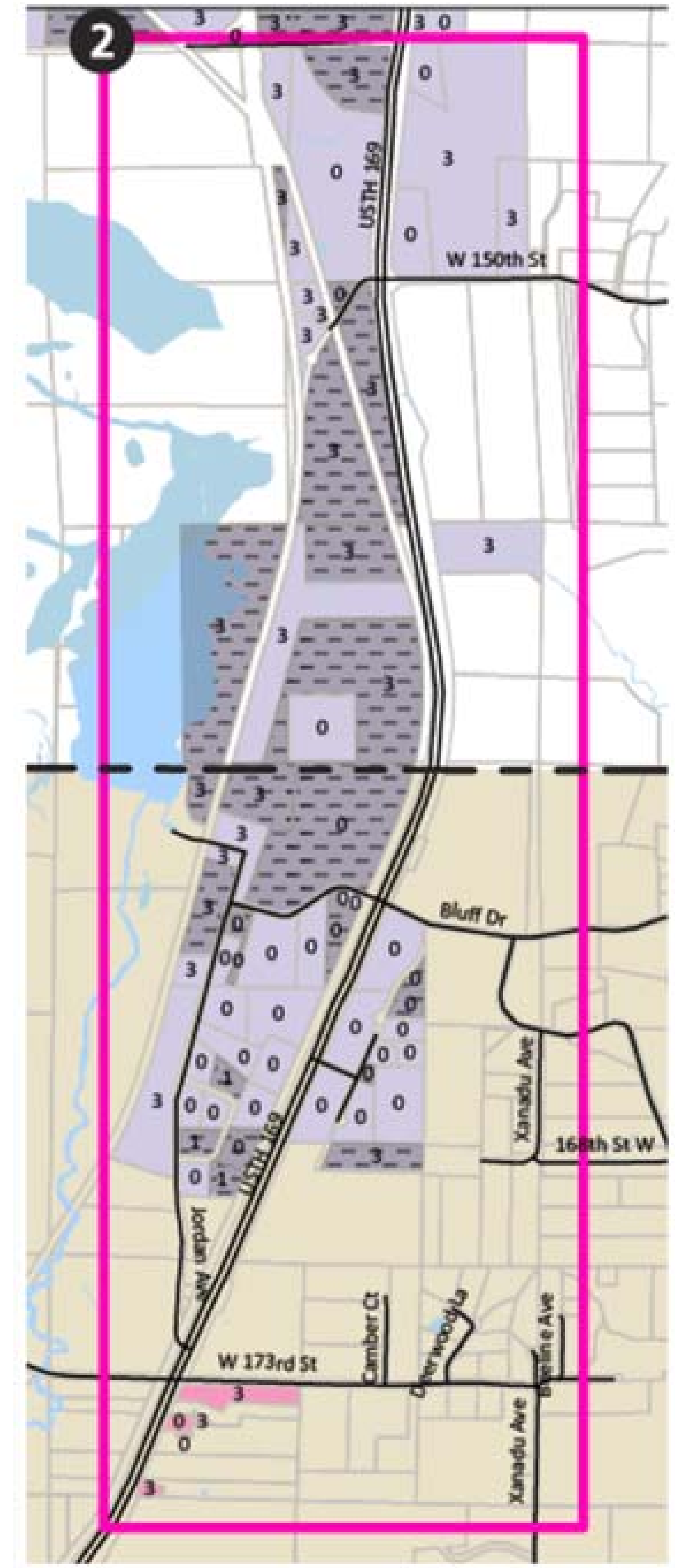
This drawing is neither a legally recorded map nor a survey and is not intended to be used as one. This drawing is a compilation of records, information, and data located from various city and county sources affecting the area shown, and is to be used for reference purposes only.

Jordan Submarket CIP and SCALE

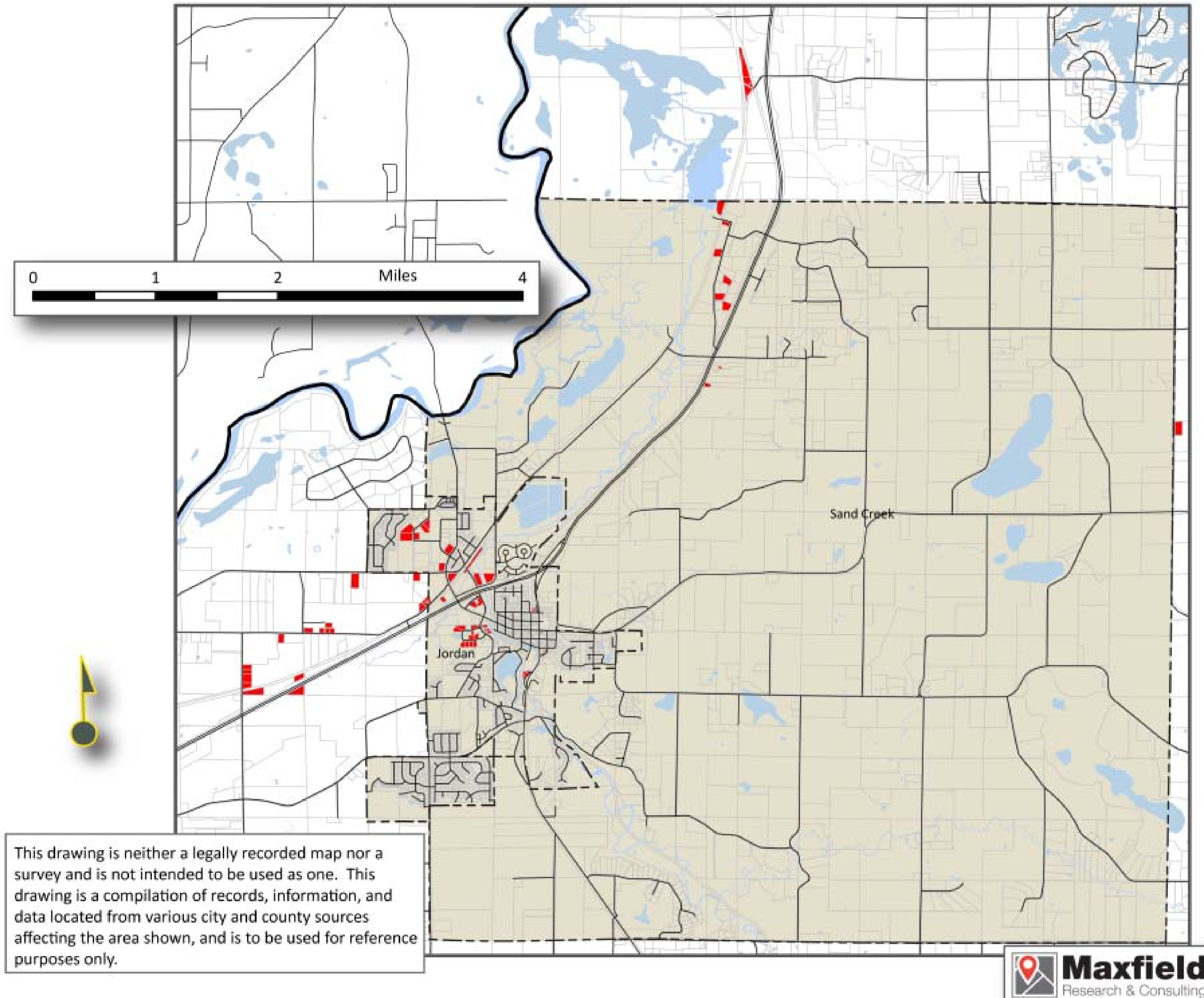


Jordan Submarket Zoom Areas 1 and 2

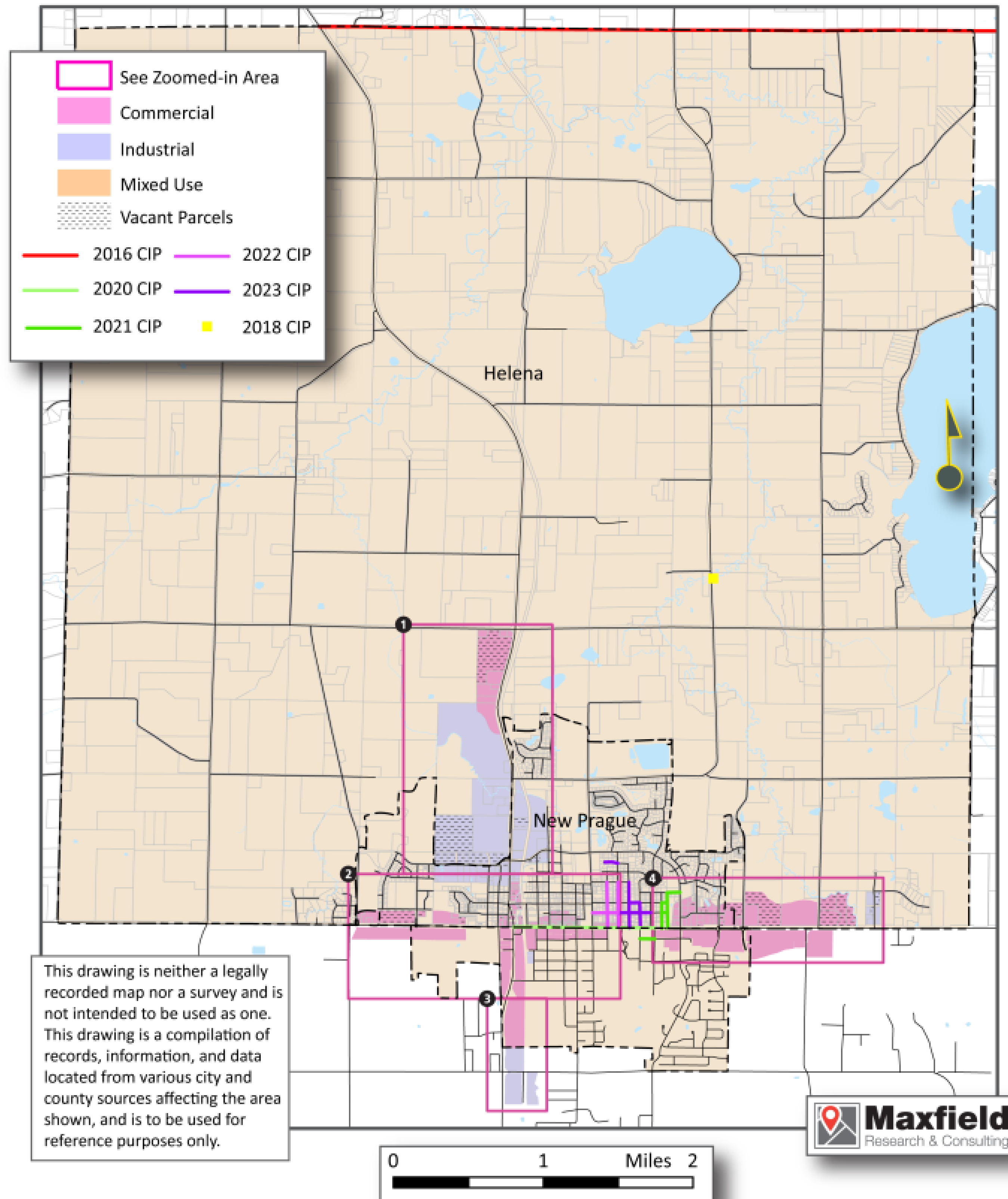




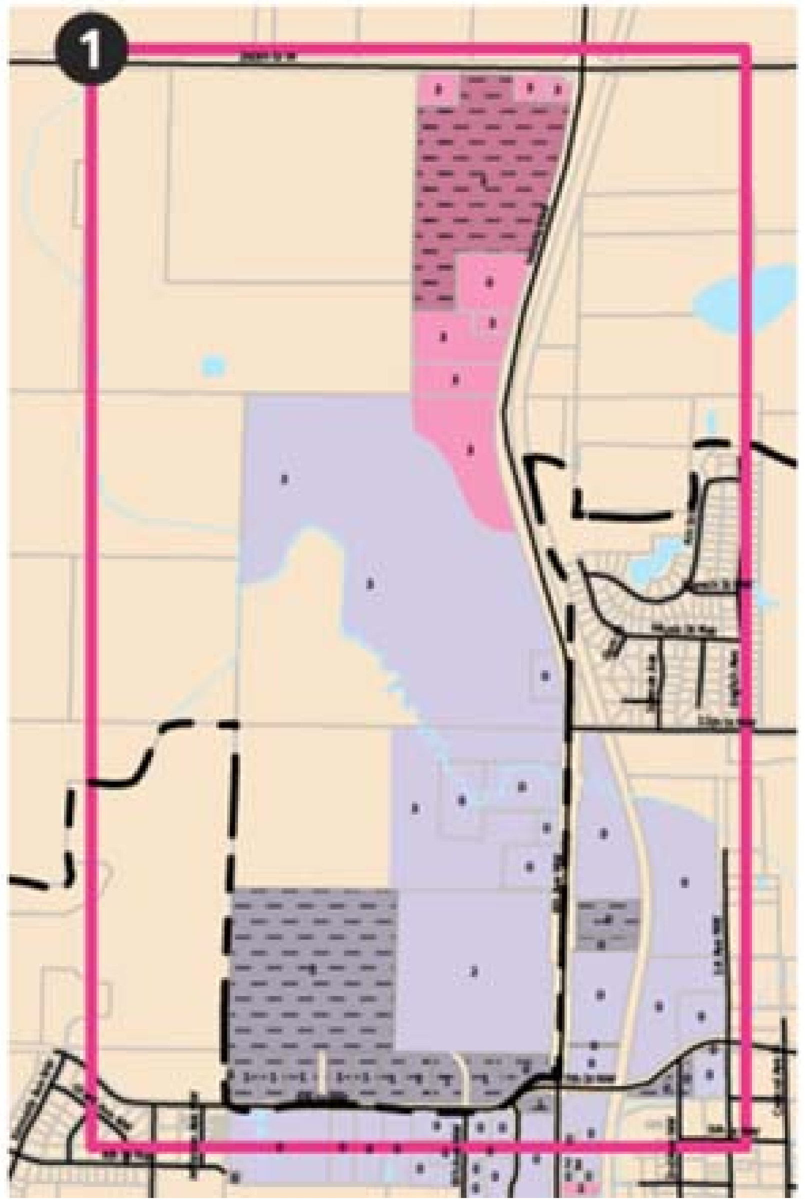
Jordan Submarket SCALE Parcels Under 5 Acres

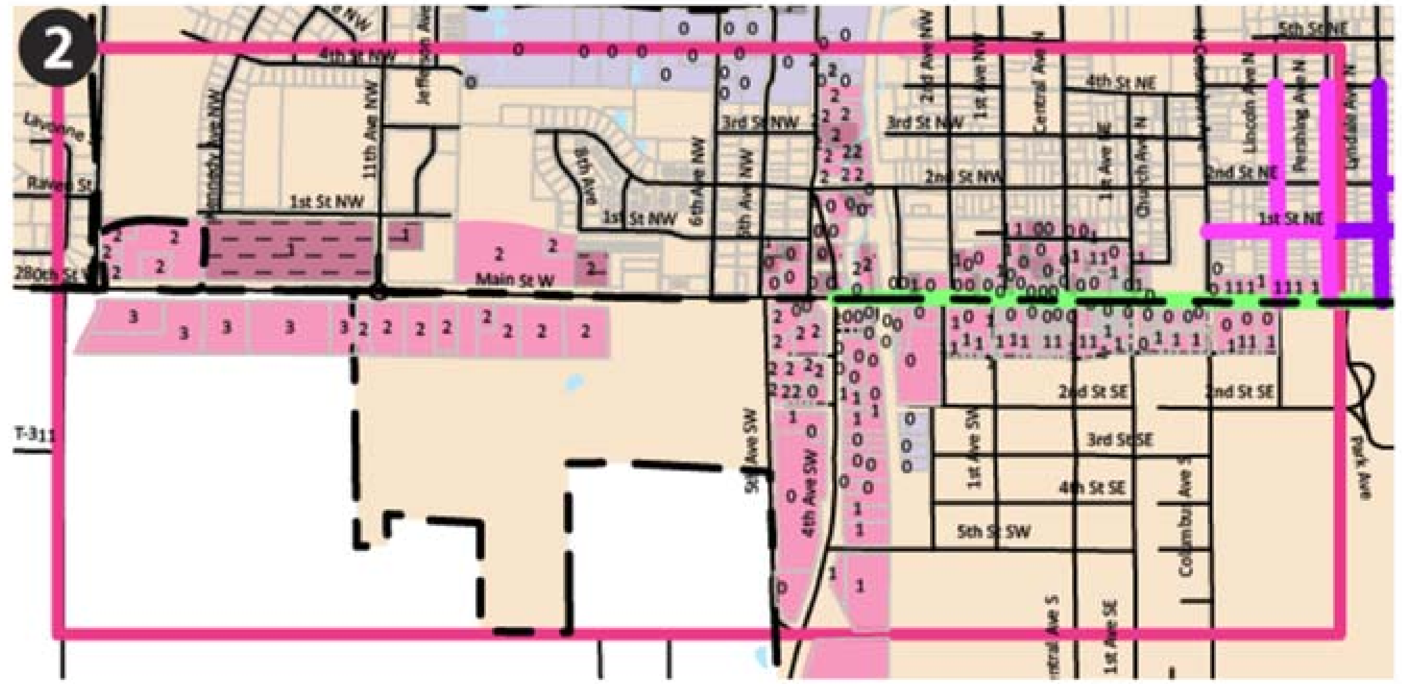


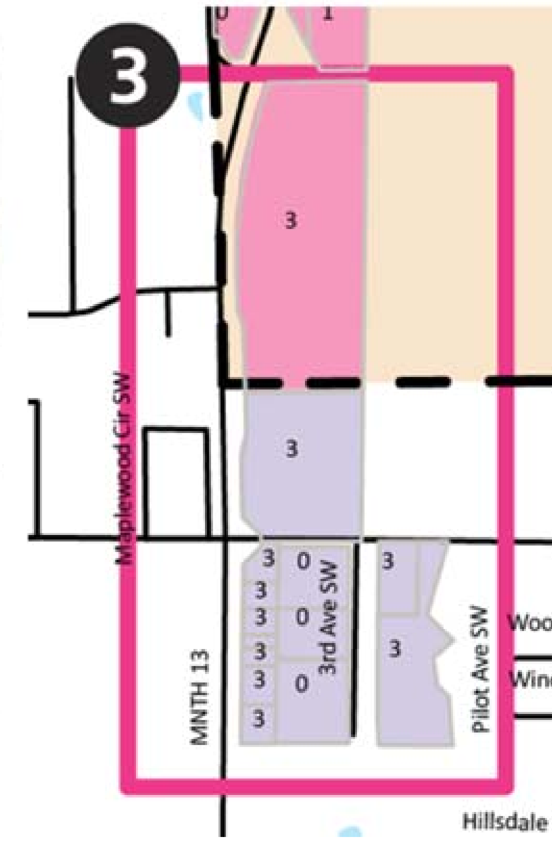
New Prague Submarket CIP and SCALE



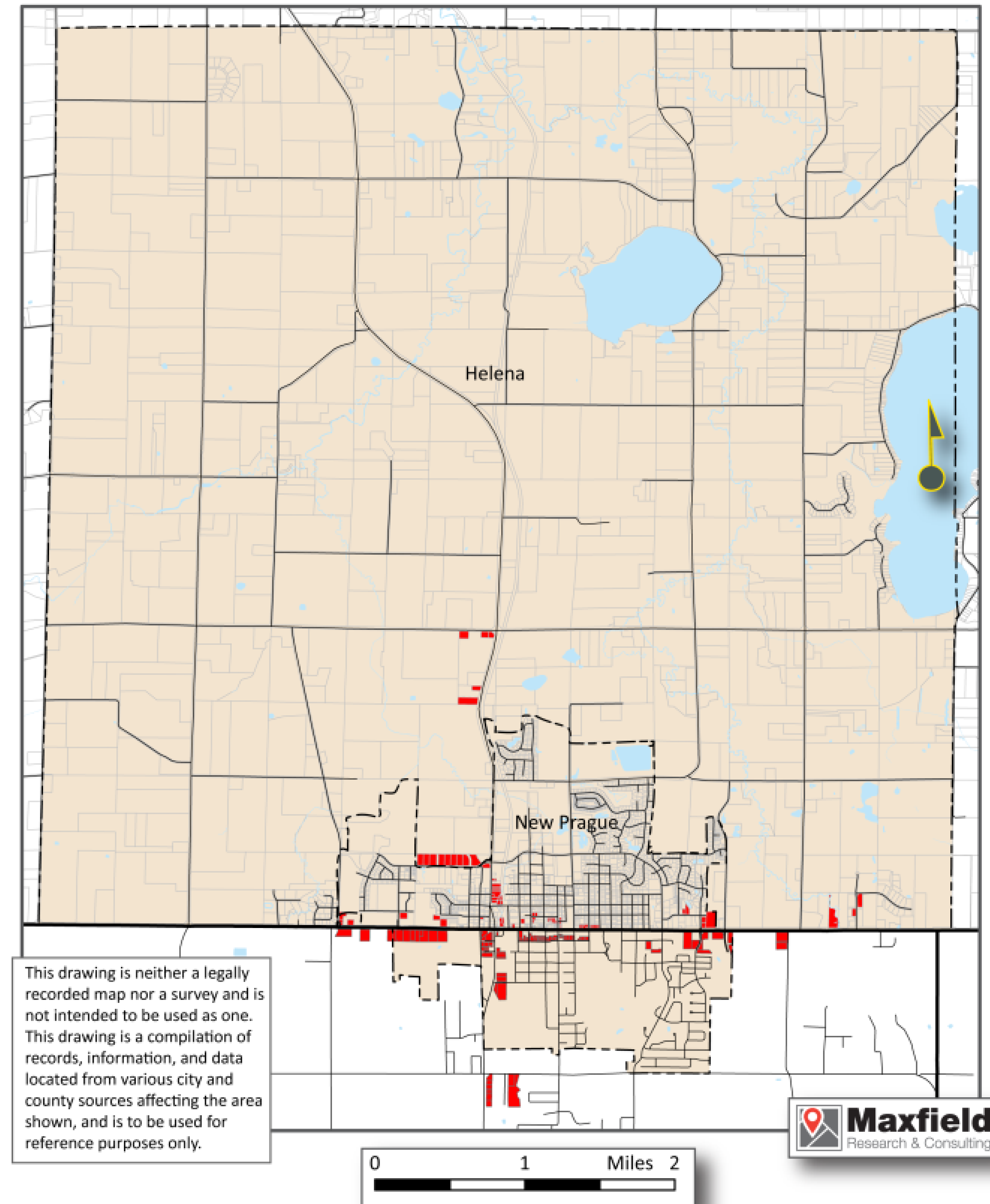
New Prague Submarket Zoom Areas 1 – 4



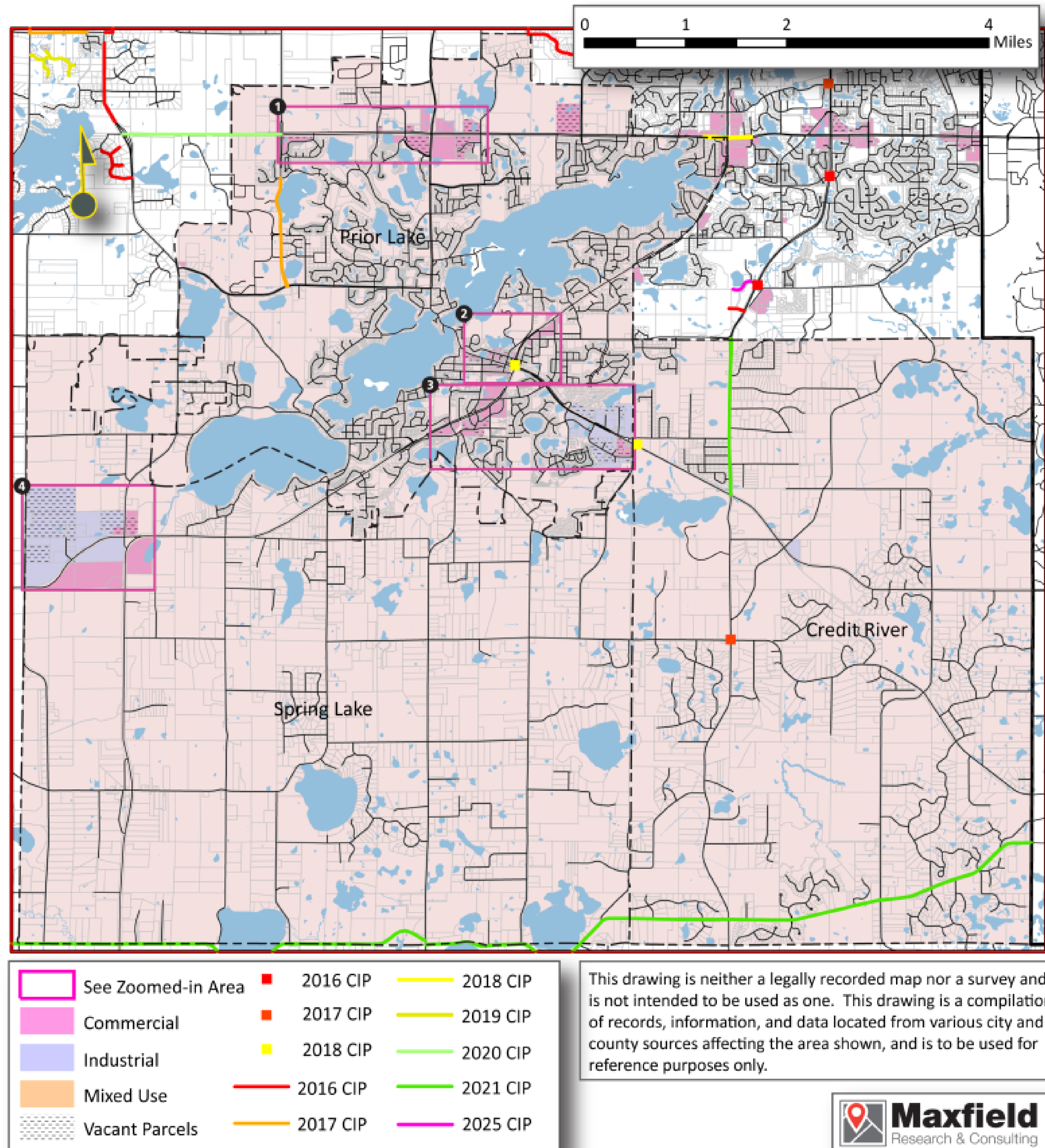




New Prague Submarket SCALE Parcels Under 5 Acres

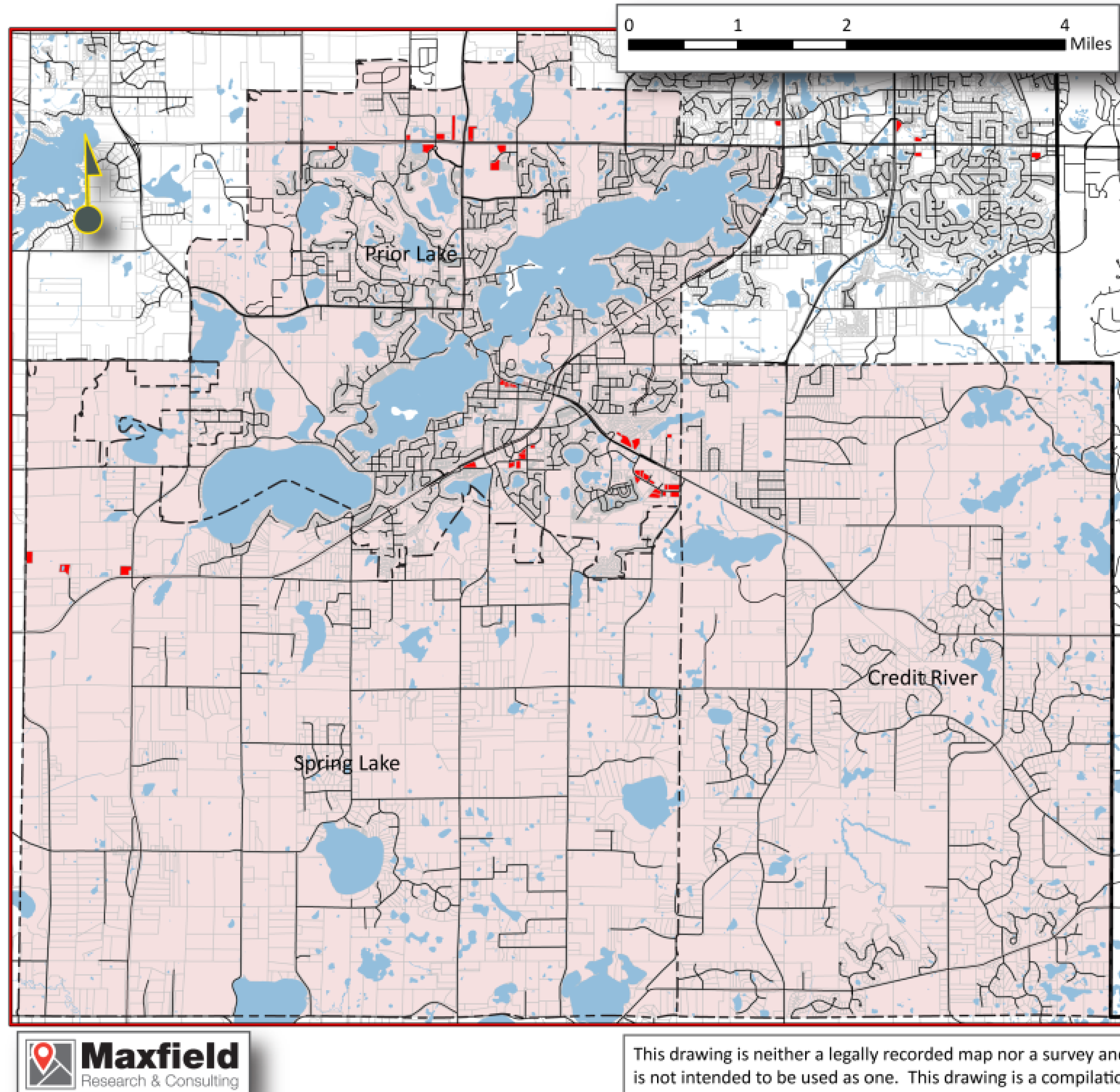


Prior Lake Submarket CIP and SCALE



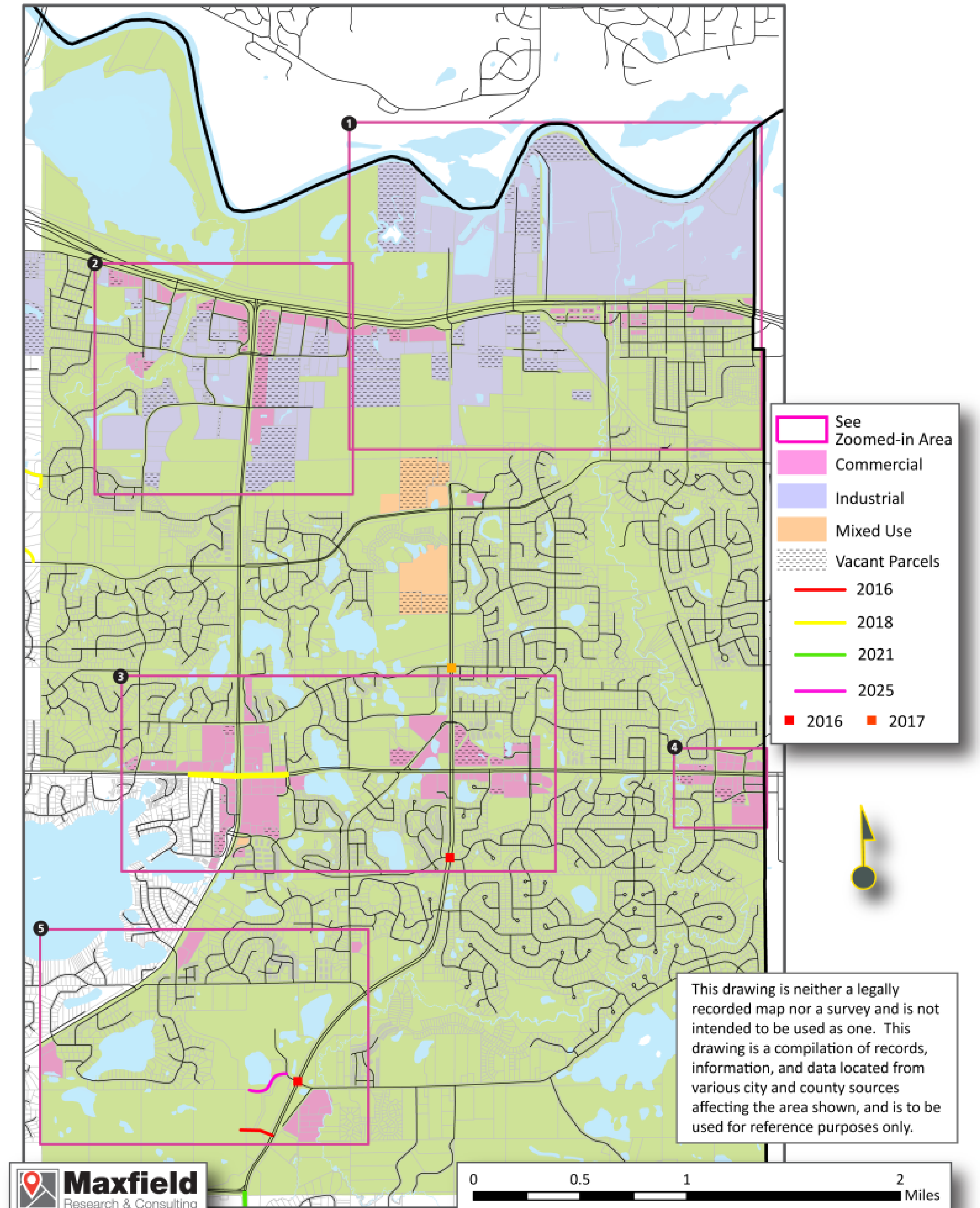
Prior Lake Submarket Zoom Areas 1 – 4

Prior Lake Submarket SCALE Parcels Under 5 Acres

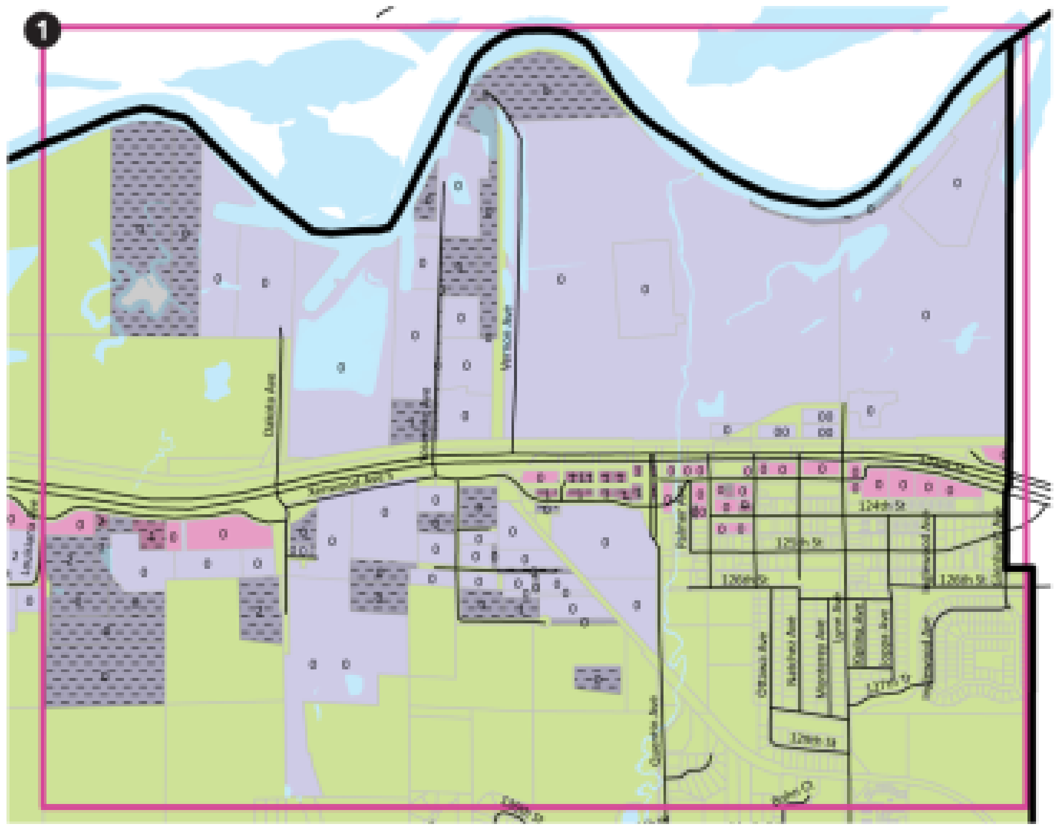


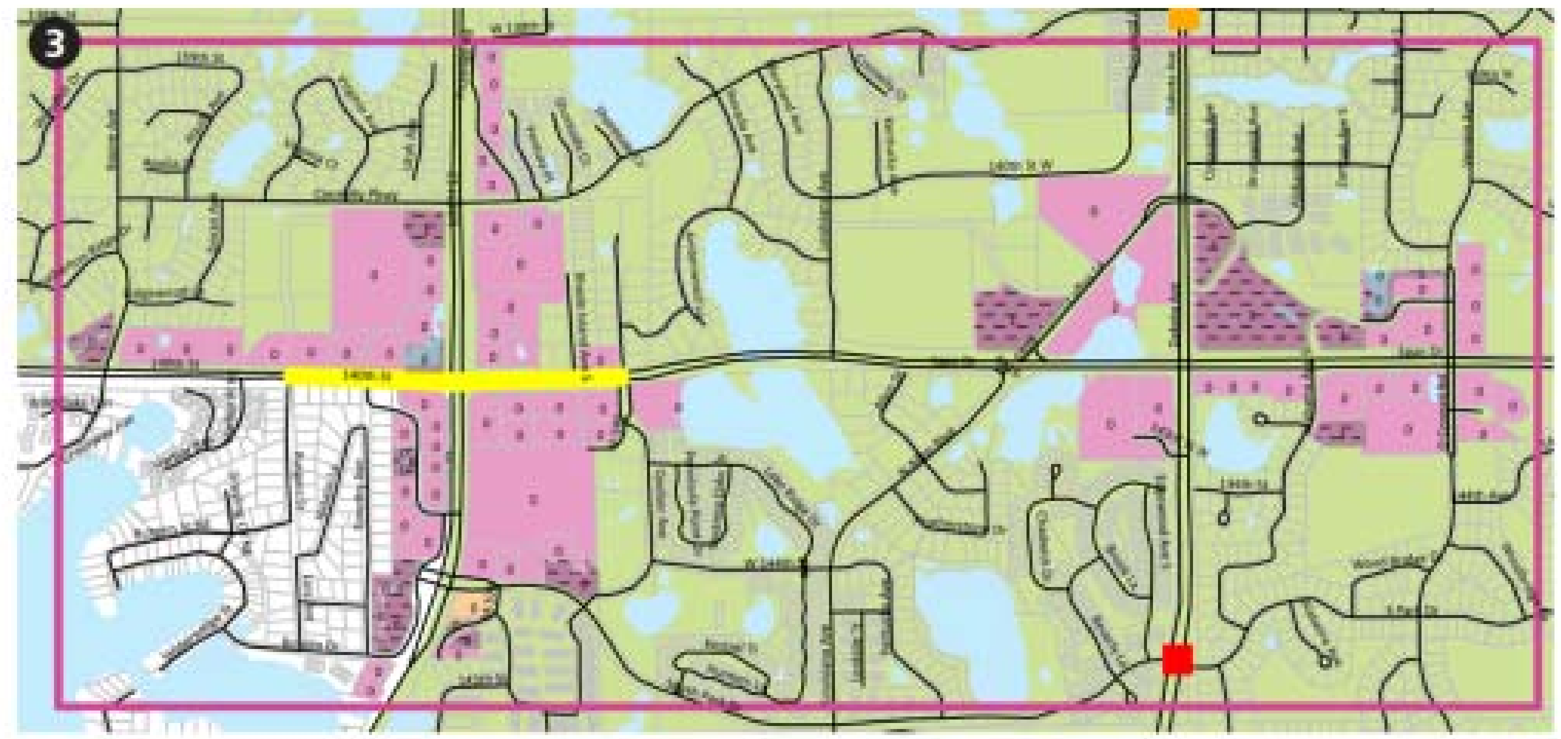
This drawing is neither a legally recorded map nor a survey and is not intended to be used as one. This drawing is a compilation of records, information, and data located from various city and county sources affecting the area shown, and is to be used for reference purposes only.

Savage Submarket CIP and SCALE

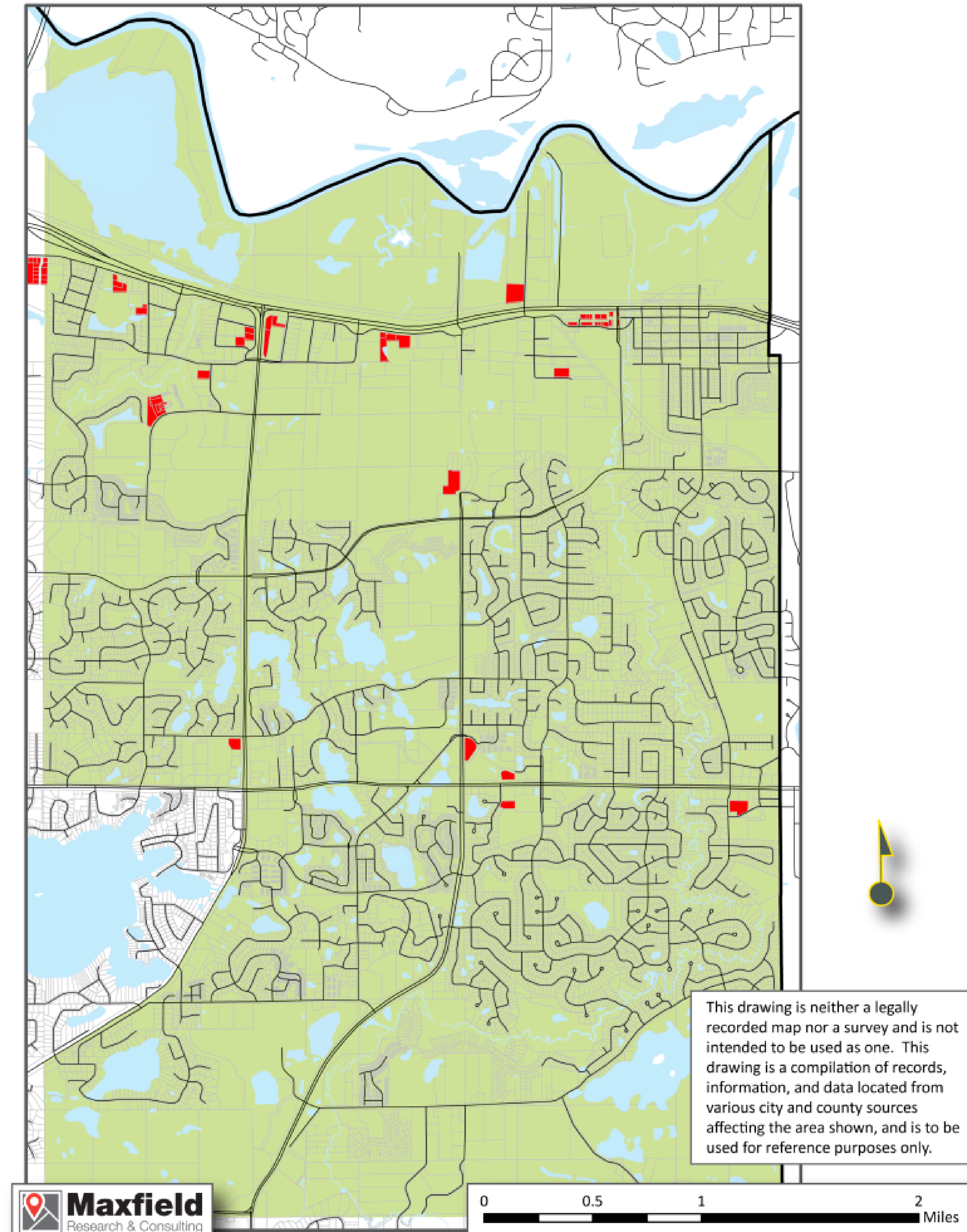


Savage Submarket Zoom Areas 1 – 5

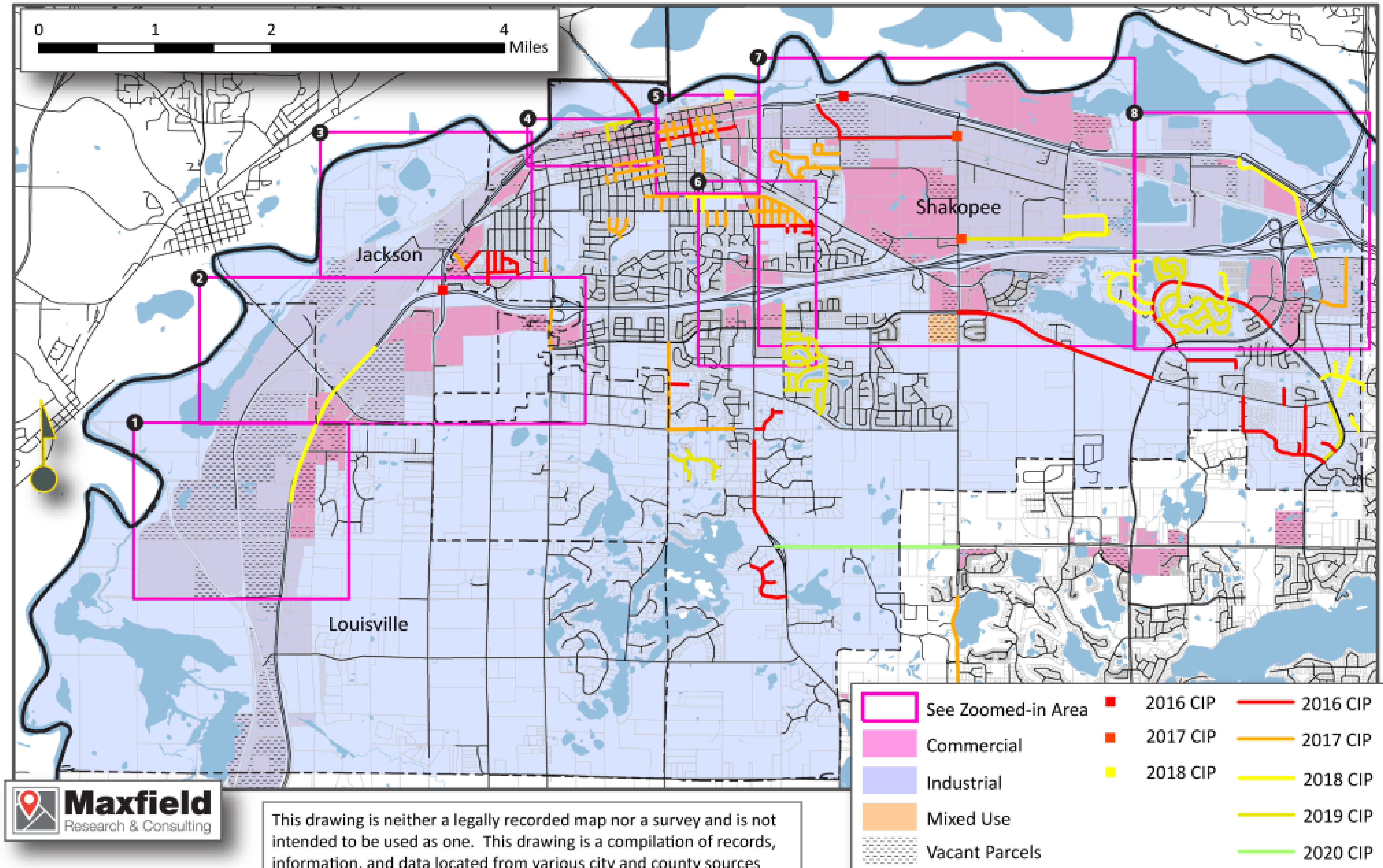




Savage Submarket SCALE Parcels Under 5 Acres



Shakopee Submarket CIP and SCALE



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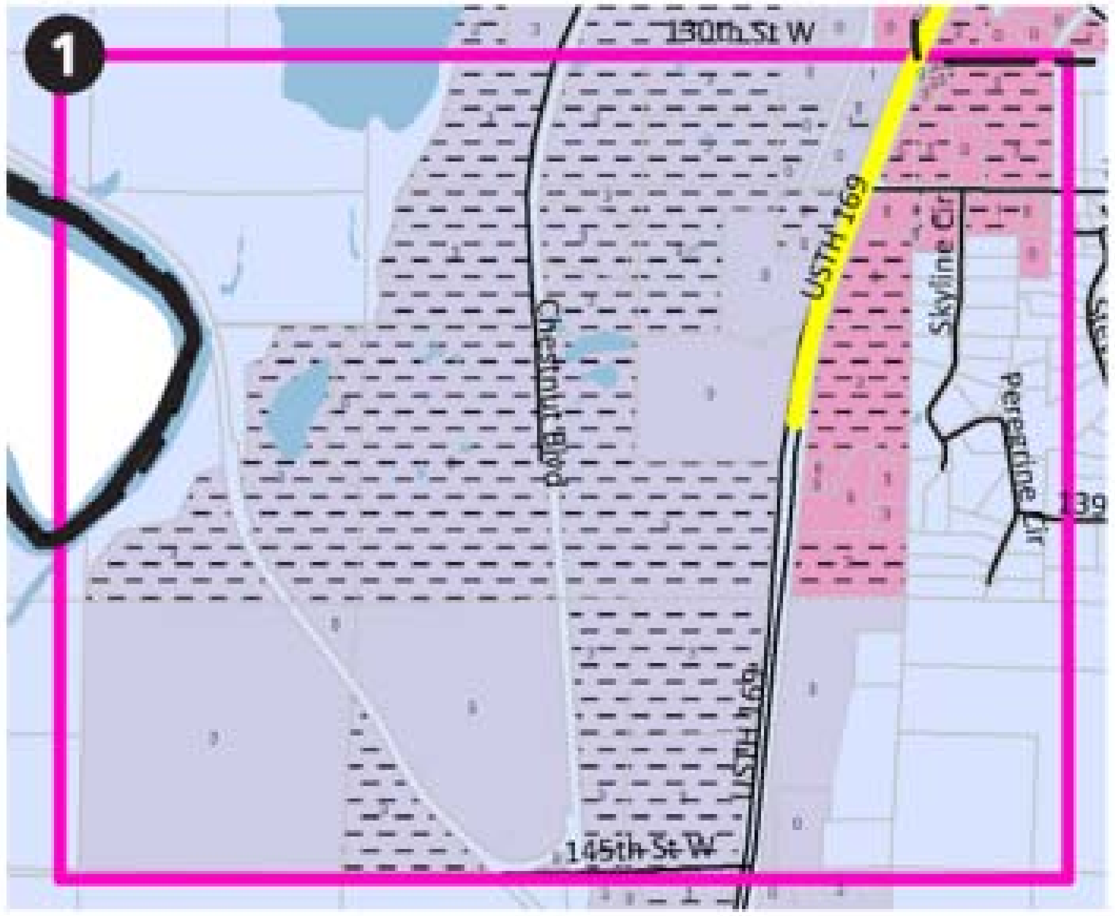
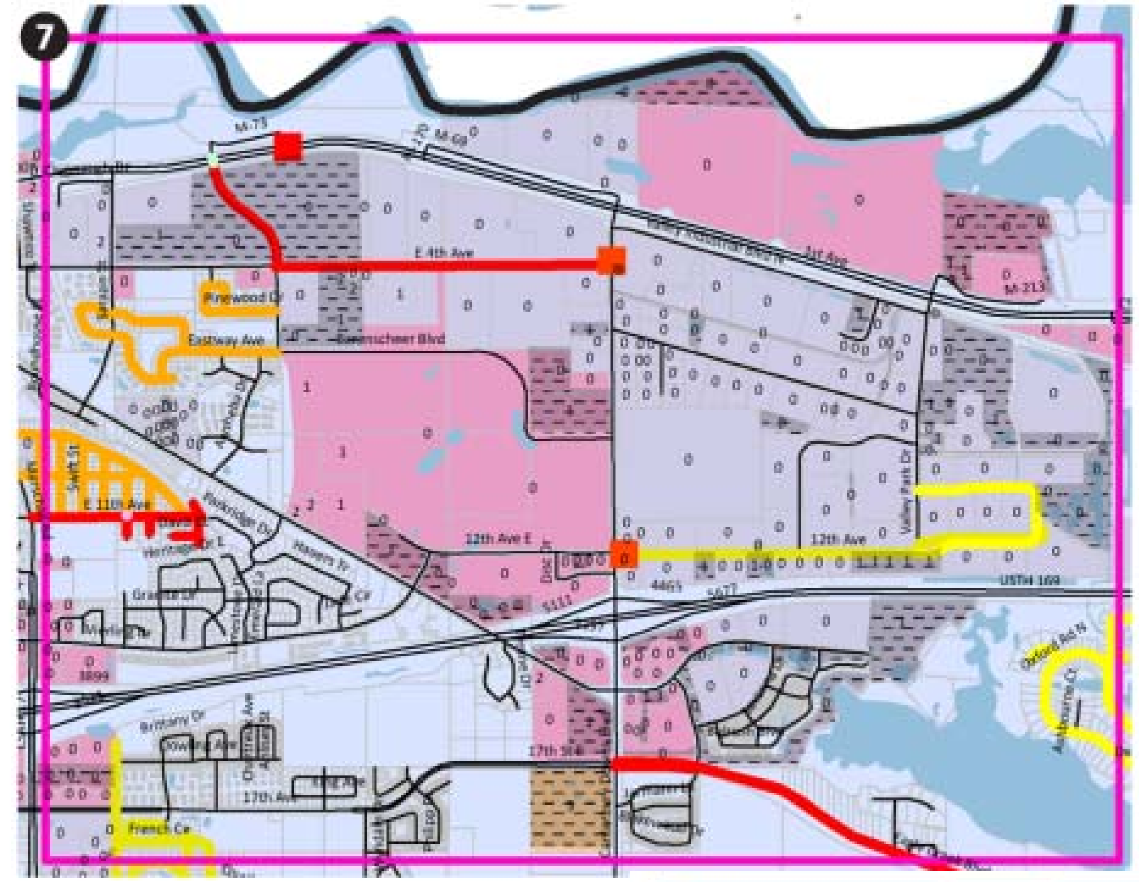
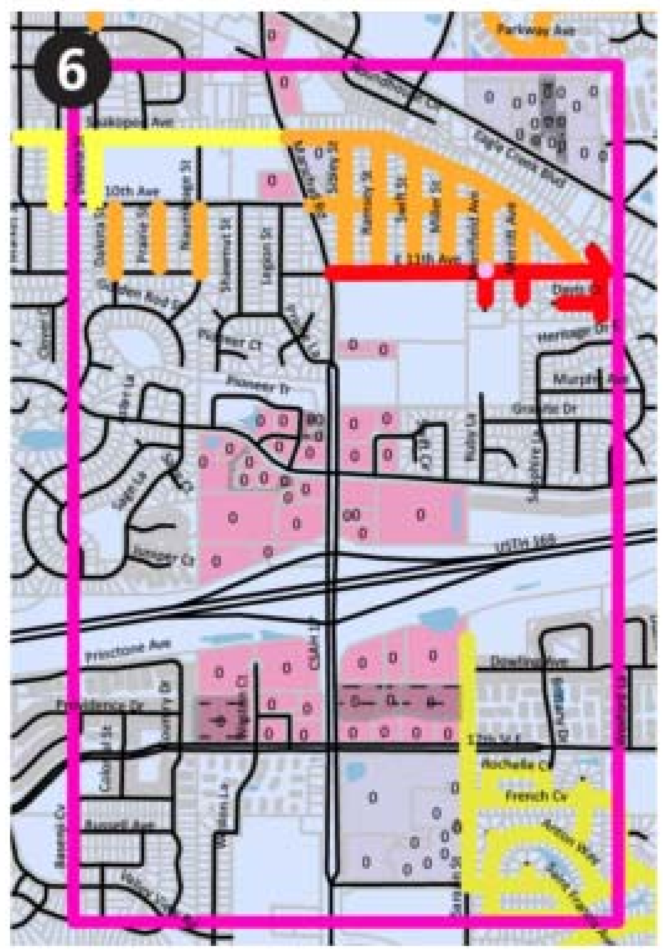
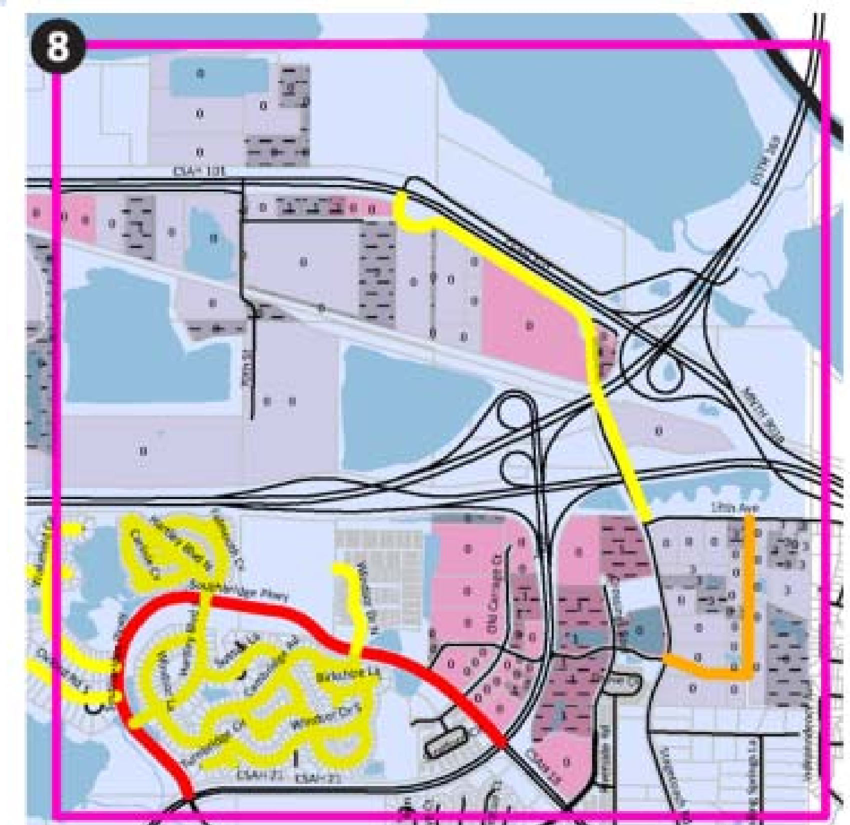
Shakopee Submarket Zoom Areas 1 – 4



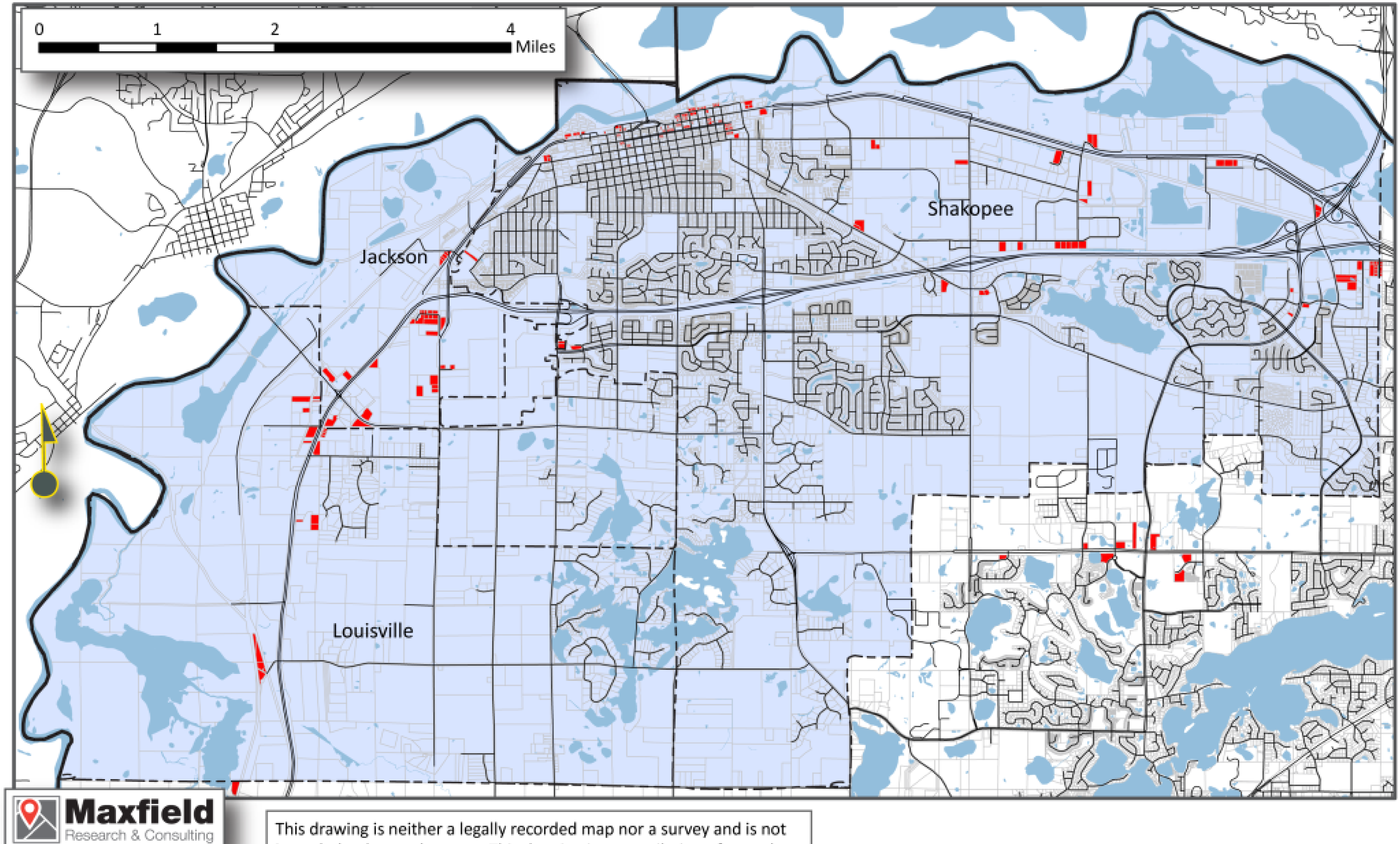
Shakopee Submarket Zoom Areas 5 – 8







Shakopee Submarket SCALE Parcels Under 5 Acres



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