CAMBRIDGE

RETAIL MARKET ANALYSIS

Prepared for

City of Cambridge

September 2011

McCOMB GROUP, Ltd.

REAL ESTATE AND RETAIL CONSULTANTS

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Prepared by

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INTRODUCTION

McComb Group, Ltd. was engaged by the City of Cambridge to conduct retail market analysis. Objectives of this engagement were to: evaluate future retail and service market demand in Cambridge; update trade area demographic characteristics for each of Cambridge's retail areas; and determine demand for additional retail, service, and service office uses in Cambridge's retail areas. Work tasks conducted as part of this engagement are summarized below.

- ♦ Retail areas in Cambridge were evaluated to identify strengths and weaknesses as a location for retail, food service, services, and service office uses. Areas that were evaluated include: Downtown, East TH-95, South Main Street, and North Main Street. Factors that were evaluated included, but were not limited to: location, circulation, access, visibility, parking supply, current and future traffic counts, and relationship to adjacent uses and community services. The tenant mix in each of Cambridge's retail areas were identified and categorized by type.

- ♦ Shopping areas that are competitive with Cambridge retailers were identified and evaluated. Principal competitors were identified and evaluated for anchor stores and tenant mix. New developments anticipated in competitive shopping areas were identified to the extent possible to determine possible competitive impacts.

- ♦ Business owners and/or managers in Cambridge were interviewed to obtain their impressions of retailing in Cambridge, the area from which they draw their customers, and input on strengths and weaknesses, as well as identify what they think should be done to improve business in Cambridge.

- ♦ Businesses in Cambridge were asked to participate in a survey of their customers to determine where they live and work, and why they shop at that business. Nine businesses participated in this survey and provided 1,004 responses that were used to help identify the primary trade area for Cambridge retailers and the amount of inflow patronage.

- ♦ Based on arterial road patterns, drive times, customer survey results, and McComb Group experience, Cambridge trade areas were delineated. Trade area delineation took into consideration competitive shopping areas in surrounding areas, the draw area for medical and other regional services in Cambridge, school district boundaries, and newspaper circulation area. The economy of the trade area was analyzed to identify and quantify those factors that generate support for retail and service establishments. Factors that were evaluated include, but were not limited to: employment, population, households, and household income. Trade area residential growth trends were evaluated to determine household growth potential for target years of 2010, 2015, and 2020. Retail purchasing power of trade area households were identified for 2010, 2015, and 2020.

- ♦ Retail sales for Cambridge were analyzed utilizing information from the U.S. Census of Retail Trade for 2002 and 2007 to determine current Cambridge market share.

- ♦ Future commercial development potential for Cambridge retail areas was estimated taking into consideration competitive impacts, trade area demographics, trade area purchasing power, and estimated market share. Based on analysis of purchasing power, competitive shopping centers, and current trends, future retail and service sales were estimated by business type and converted to square feet of space by type of business establishment. Those businesses with sufficient sales potential for profitable operation in Cambridge were identified. Estimates of retail, service, and service office space supported by sales potential were prepared for target years 2010, 2015, and 2020.

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

Report Purpose

This report was prepared in accordance with our proposal dated December 23, 2010. This report was prepared with the understanding that the results of our work will be used by the client to determine demand for additional retail stores, food service, services, and service office establishments in Cambridge. Our report was prepared for that purpose and is subject to the following qualifications:

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

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

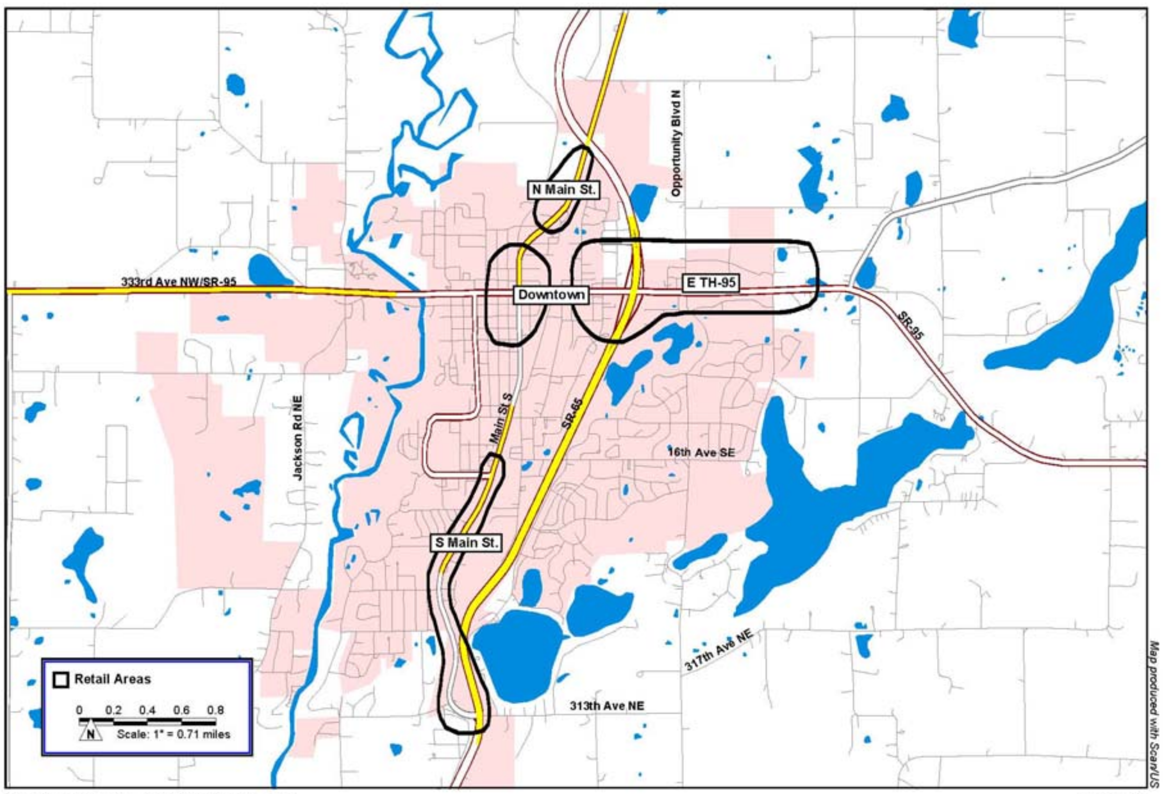
Chapter I

CAMBRIDGE RETAIL AREAS

Cambridge has four distinct retail areas: the Downtown area, East TH-95, North Main Street, and South Main Street, as shown on Map 1. Most of the recent retail development has occurred in the East TH-95 area. Cambridge retail areas all offer a variety of goods and services for area consumers. These retail areas are described below and retail tenant mix are contained in Table 1. Detailed lists of business establishments for each retail area are contained at the end of this chapter.

Map 1

CAMBRIDGE RETAIL AREAS



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Downtown

Downtown is the established retail/service area for Cambridge and is generally bounded by Fourth Avenue Northeast on the north, Cypress Street North on the west, Fifth Avenue Southwest on the south, and the BNSF tracks on the east. The retail area is relatively compact, attractive, and walkable. Downtown contains a broad mix of businesses with 36 retail stores and 98 service establishments. Downtown convenience retail includes City Center Market, True Value Hardware, Cambridge Floral, and The Movie Store. Food service is represented by eight full service restaurants (the largest concentration in Cambridge), and three limited service restaurants. Downtown has 17 shopping goods stores, a convenience/gasoline establishment, one auto/RV sales establishment, and two auto parts stores. Shopping goods include Leader department store, Ace Tac & Outfitter, jewelry, and other specialized stores selling items such as scrapbook supplies and custom frames, items that serve specific needs.

Table 1

CAMBRIDGE RETAIL AREAS

Establishment Type	Downtown	East TH-95	North Main St	South Main St	Total
CONVENIENCE RETAIL					
Food	1	1			2
Drug Store		2			2
Liquor		1			1
Hardware	1	1			2
Floral	1				1
Video	1				1
FOOD SERVICE					
Full Service	8	2	1		11
Limited Service	3	9		1	13
CONVENIENCE/GASOLINE					
Convenience/Gasoline	1	5		3	9
SHOPPING GOODS					
General Merchandise	1	4			5
Variety	1				1
Apparel/Accessories					0
Furniture & Home Furnishings		1	1		2
Electronics	3	1			4
Other Shopping Goods	8	3	1	1	13
Pre-Owned Merchandise	4	3		1	8
HOME IMPROVEMENT					
Home Improvement		1			1
AUTOMOTIVE					
Auto/RV Sales	1	2		5	8
Auto Parts	2	2			4
Other Equipment Sales/Marine				1	1
Subtotal	36	38	3	12	89
SERVICES					
Auto Services	4	2	2	3	11
Personal Care	10	4			14
Personal Services	13	4	3	2	22
Business Services	2	1			3
Laundry/Dry Cleaning	2				2
Financial	16	7		1	24
Real Estate	3	2	1		6
Insurance	6	3	1		10
Medical	8	4		1	13
Dental	7	2		1	10
Entertainment/Recreation	3	4		1	8
Professional Services	6	1			7
Lodging		1			1
Other Services	7	6	2	2	17
Fraternal	1				1
Government Office	10			1	11
Subtotal	98	41	9	12	160
TOTAL	134	79	12	24	249
VACANT	11	4	2	4	21

Source: McComb Group, Ltd.

Services (98 establishments) are a major presence in Downtown representing a diversified mix of businesses. Downtown is fortunate to have the Cambridge Theater, with five screens, that adds evening and weekend vitality. The largest categories are personal care/personal services (23 establishments) and financial services (16 establishments) followed by government office, medical, dental, insurance, and professional services. There are 22 additional services representing a variety of categories. This large concentration of service establishments attracts customers to Downtown providing support for other business establishments. Downtown had 11 vacant store fronts or 7.6 percent.

Downtown has a good supply of parking that supports its unique shopping choices along with a variety of services. Downtown's main street has a wide variety of well-maintained buildings, many that are reminiscent of a traditional, small town shopping district. In general, Downtown is well maintained with plentiful parking and clean streets and sidewalks, making Downtown Cambridge an attractive retail location.

East TH-95 Retail Area

The East TH-95 retail area has the largest concentration of retail stores and a selection of service establishments. The East TH-95 retail area extends approximately 1.2 miles along TH-95 from Emerson Street on the west to one-quarter mile east of Flanders Street. This retail area is the home to five anchor stores including Target, Walmart Supercenter, Menards, Cub Foods, and Kohl's. A new Walgreens is located west of TH-65. Most of the new retail development has occurred east of TH-65.

In addition to the big box retailers, there are 33 other retail establishments in this area including five convenience retail, 11 food services (two full-service and nine limited-service), five convenience/gasoline stores, nine shopping goods, two auto sales, and two auto parts stores.

Services in the East TH-95 retail area total 41 establishments. The largest service categories for this area are personal care/personal services with eight establishments, followed by financial services with seven establishments. Other services include six establishments, while medical and entertainment/recreation have four establishments each. Insurance is represented by three establishments, followed by real estate, auto services, and dental care with two establishments each. At the time of our field survey, there were three vacant store spaces. Since then Lowes has closed.

North Main Street Retail Area

North Main Street retail area is located north of Downtown, extending from Old Main Street to the TH-65 overpass and is comprised of 12 establishments including two retail stores, a restaurant, and nine service establishments. The retail establishments include a full service restaurant, a furniture store, and a boutique. Services include three personal services, two auto services, two other services, one real estate office, and one insurance agent. There were two vacant store fronts.

South Main Street Retail Area

The South Main Street retail area extends from 13th Avenue to the intersection of TH-65, about two miles south of the Downtown area. The businesses along South Main Street are predominantly highway retail businesses that evolved when South Main Street was the former Highway 65, and destination retailers. This area includes 24 establishments: 12 retail stores and 12 services, and currently has four vacancies. The largest retail category is auto/RV sales with five establishments, followed by convenience/gasoline with three establishments and food service, other shopping goods, pre-owned merchandise and other equipment sales with one establishment each. Services include three auto service, two personal services, two other services, and financial, medical, dental, entertainment/recreation and government office each with one establishment. Two businesses, a Marathon convenience store and a Mexican restaurant, at the intersection with TH-65, closed recently.

Other Institutions

Cambridge has two major institutions that draw potential shoppers to Cambridge. Cambridge Medical Center, located south of Downtown, had over 56,000 patient visits in 2010. Anoka-Ramsey Community College-Cambridge Campus has an enrollment of about 2,300 students, which attend class on a regular basis. The Isanti County Government Center is located south of Downtown.

Traffic Counts

Traffic counts in Cambridge from 2003 to 2010 (the latest available) are contained in Table 2 and reflect a mix of declines and increases. In general, traffic counts from the west and north have increased, while traffic counts from the east and south have declined. Traffic count decreases are likely due to current economic conditions. In most cases, traffic counts in 2010 differ slightly from those taken in 2008.

Table 2

CAMBRIDGE TRAFFIC COUNTS; 2003 TO 2010

	2003	2004	2006	2007	2008	2010
TH-65						
Between Isanti and South Main		19,900	22,000		20,500	19,700
Between South Main and TH-95		12,300	13,200		12,100	11,500
Between TH-95 and North Main		8,200	9,800		10,300	10,400
TH-95						
East of Cambridge		8,700	9,500		8,900	
Flanders to Xylite		12,800	13,000		11,900	11,400
East of TH-65 to Xylite		23,300	23,300		22,700	22,400
West of TH-65 to Garfield		20,700	23,000		23,000	21,600
East of Railroad Tracks		15,100	16,900		15,100	14,500
West of Main Street		14,900	18,000		15,700	15,000
At Dellwood		11,500	12,300		12,800	13,300
At Rum River		12,400	11,600		11,900	12,300
West Edge of Cambridge		6,600	7,300		6,600	7,400
Other						
South Main at TH-65	7,400			6,700	6,800	
South Main at Central	8,200			8,500	8,500	
South Main at 22nd	9,100			9,200	9,200	
South Main south of 11th	8,500			8,500	7,700	
South Main south of TH-95	8,800			8,600	8,600	
North Main north of TH-95	8,500			7,400	8,000	
North Main north of 6th	4,900			4,100	4,100	
North Main north of TH-65 Overpass	4,100			3,750	3,950	

Source: Minnesota Department of Transportation and McComb Group, Ltd.

TH-65 is an important artery providing easy access from the north and south. This trunk highway carried 19,700 average daily trips between Isanti and South Main Street in Cambridge in 2010, down about 2,300 trips from 2006. This decline may be due to fewer commuters due to economic conditions. TH-65 carried 11,500 trips between South Main Street and TH-95 and 10,400 trips between TH-95 and North Main Street in 2010. Traffic counts on TH-65 increased between 2006 and 2008 north of TH-95. This may reflect the impact of new retail stores that attract more customers from the north.

TH-95 is an important east/west artery with traffic counts that peak at TH-65. Traffic counts are highest at TH-65, about 22,400 per day exceeding the traffic counts on TH-65. TH-95 traffic counts in Downtown were about of 15,000 trips in 2010. Traffic counts in Downtown are almost twice those at the west edge of Cambridge indicating that much of the traffic is local destined to Downtown or the East TH-95 retail area.

Traffic counts along TH-95 for 2010 are down slightly from the 2008 counts east of Main Street. TH-95 experienced traffic count increases in the area west of Dellwood Street. Dellwood Street saw an increase of 500 vehicles from 2008 to 2010; and counts taken on TH-95 at the Rum River increased by 400 trips from 2006 to 2008. Traffic counts on Main Street ranged from 7,700 to 9,200 trips per day in 2008 in the area between Central Avenue and Sixth Avenue NE.

Accessibility

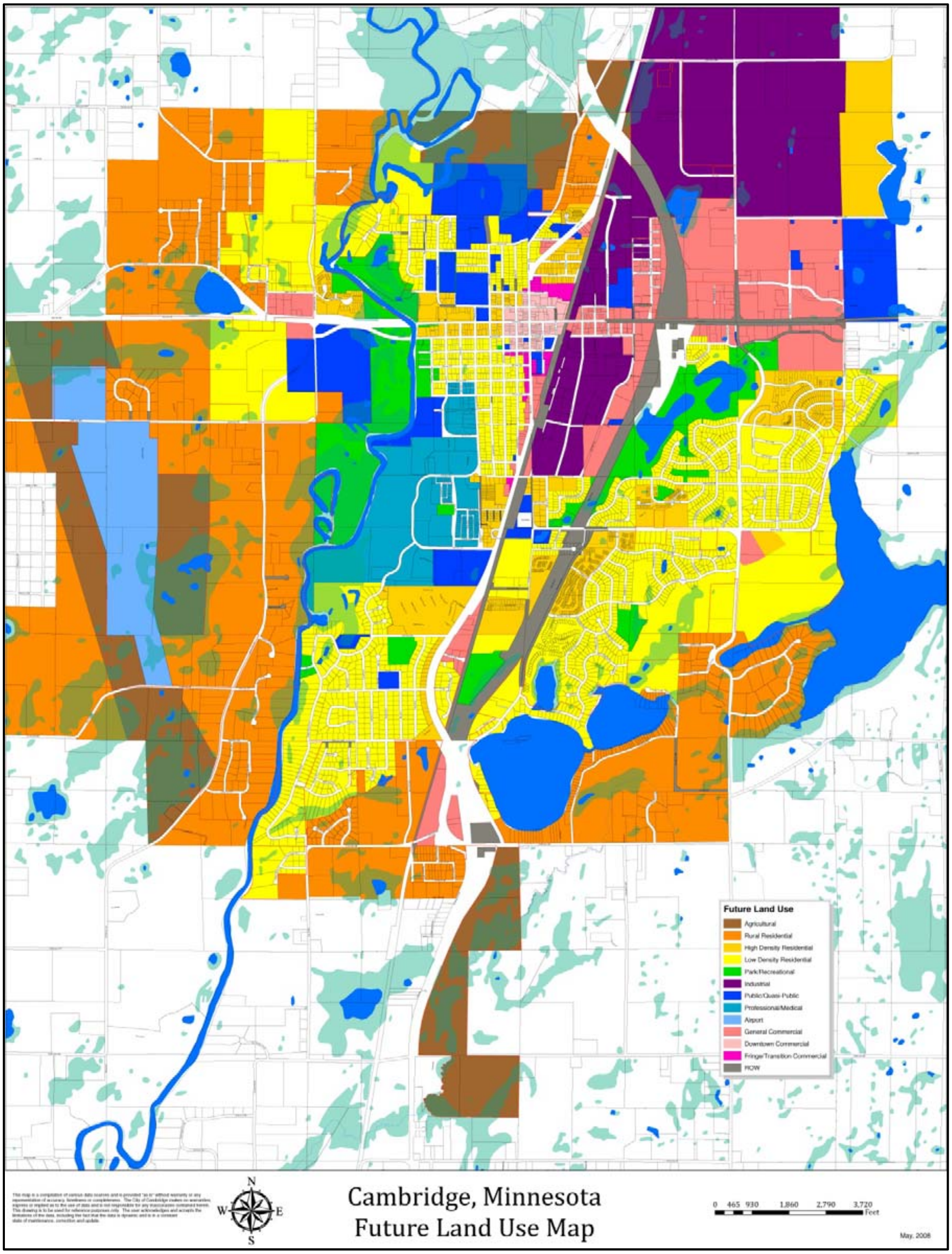
Cambridge is served by TH-95 (east/west) and TH-65 (north/south). The intersection of these two highways has the highest vehicle counts in the area and is the focal point for the East TH-95 commercial area. TH-65 is a four-lane rural expressway providing convenient accessibility to the Twin Cities metro area for communities throughout east-central Minnesota. TH-95 is a two-lane highway running predominantly east/west through the area from TH-10 in St. Cloud to TH-169 in Princeton, to TH-65 in Cambridge, and onto I-35 in North Branch. East/west accessibility through Cambridge is limited by three major barriers that extend north and south throughout the city: TH-65, the BNSF Railroad, and the Rum River. TH-95 offers the only crossing of the Rum River in Cambridge. The railroad has four at-grade crossings in Cambridge: 1) South Main Street at the far south end of Cambridge; 2) 11th Avenue Southwest; 3) TH-95 in the Downtown area; and 4) County 27 (North Emerson Street) at the north end of Cambridge. TH-65, as a four-lane expressway, has three primary intersections for the City of Cambridge: South Main Street, TH-95, and North Main Street three miles north of TH-95. Sixteenth Avenue Southeast travels under TH-65 and provides an east/west connection for areas in the southeastern portion of Cambridge; and Main Street also crosses under TH-65 about a mile north of Downtown.

Future Land Use

The Future Land Use Map, shown in Figure 1, contains areas guided for downtown commercial and general commercial, the principle retail land use categories. Downtown is centered around the intersection of Main Street and First Avenue (TH-95). While much of this Downtown is developed, there are older, obsolete buildings, some of which are currently vacant, that represent infill development opportunities.

The largest general commercial area is in the vicinity of TH-65 and TH-95. This has been the area where new retail development has occurred. Much of the TH-95 frontage has been developed, while interior parcels to the north along TH-65 are mostly undeveloped. These areas have excellent visibility from TH-65, but have poor visibility from TH-95.

Figure 1



North Main Street has a limited number of retail and service establishments, but a limited amount of land is guided for general commercial. Due to past changes in TH-65 alignment, this area is less attractive for retail development due to low traffic counts and is suitable for destination uses. In the future, there may be a higher and better use for some of these parcels.

South Main Street has some areas that are guided for general development. Existing retail uses include convenience and destination retailers, which are supported by adjacent residential areas, Isanti County offices, and the medical center. The southern end of this area is convenient to TH-65, but road right-of-way and the BNSF tracks limited parcel depth preventing larger retailers with significant customer draw from locating in this area. Likely future uses will be convenience retailers or destination uses. At the present time, there are more attractive locations in Cambridge.

On the west side of Cambridge, at the intersection of Spirit River Drive and TH-95, the southwest and northwest quadrants have parcels guided for general commercial. Anoka-Ramsey Community College and Grace Point Crossing are located in this area. Most of the surrounding land is guided for low density residential and rural residential. Most likely future uses are convenience retail and destination uses. Convenience retailers will be seeking a larger number of households and/or higher traffic counts on TH-95.

CAMBRIDGE - DOWNTOWN
RETAIL TENANT MIX

CONVENIENCE RETAIL
Food
City Center Market
Hardware
True Value Hardware
Floral
Cambridge Floral
Video
The Movie Store

FOOD SERVICE
Full Service
Cambridge Bar & Grill
Herman's Bakery
House of Liu
Q Mandarin Buffet
Peoples Café
Pizza Hut
Pizza Pub
Sidelines Sports Grill
Limited Service
Café Caffeine
Taco John's
The Corner Cup Coffee Shop

CONVENIENCE/GASOLINE
Convenience/Gasoline
Casey's General Store

SHOPPING GOODS
General Merchandise
Leader Department Store
Variety/Dollar
Dollar General
Electronics
Radio Shack
Rum River Computers
Wind Stream
Other Shopping Goods
Ace Tac & Outfitter
B&K Scrap & Stamp
Cambridge Christian Books & Gifts
Chilson Jewelers
Frame Shop
Northwest Décor
Outdoor Edge Bikes & Boards
The Gamers Den

SHOPPING GOODS (continued)
Pre-Owned Merchandise
Family Pathways Thrift Store
Pass It On Thrift Store
Scout & Morgan Books
Shalom Shop

AUTOMOTIVE
Auto/RV Sales
Woody's Auto Sales
Auto Parts
Auto Value Auto Parts
O'Rielly Auto Parts

SERVICES
Auto Services
Cambridge Collision Center
Dr. Monty's Auto – NAPA Auto Care Center
Steve's Tire
Woody's Auto Service Center
Personal Care
Adevia Spa Salon
Barbers on Main
Caribbean Tan
Hair Connection
Hair I Am
Hair Mania
Mug & Brush Barber Shop
Spalon Elite
Sunlife Tanning
Twisted Image Tattoo
Personal Services
ALCA Travel Limited
Anoka-Ramsey Community College
Carlson Studio of Photography
Dog Grooming
Gold Key Driving School
Healthy Meal Healthy You
Just for Paws
New Pathways A Family Service
Pregnancy Resource Center of Cambridge
Rum River Special Education Cooperative (2)
Somewhere Else
Vintage Locks
Business Services
Midwest Environmental Consulting LLC
Minnesota Work Force Center

CAMBRIDGE - DOWNTOWN
RETAIL TENANT MIX (continued)

SERVICES (continued)
Laundry/Dry Cleaning
Cambridge Launderers & Cleaners
Coin Laundry/Car Wash
Financial
Bauer & Associates
Bridge Financial: Pay Day Loans
Cambridge State Bank
Edward Jones Investments (2)
Farm Bureau Financial Services
Investment Centers of America
Ken Evers Tax Services
Minnco Center
Minnco Credit Union
Mortgages Unlimited
Peffer & Wallace Limited
People’s Bank
Prime Lending
Wells Fargo Bank
Wells Fargo Home Mortgage
Real Estate
Century 21 Realty Office
Main Street Realty/Real Living
Metro Plains Consulting Management Investment
Insurance
All State Insurance
American Family Insurance
Central Insurance Agency CIA
Chuck Swenson Insurance Agency – State Farm
Peoples State Agency Insurance
Stake Insurance Services
Medical
Cambridge Chiropractic Clinic
Cambridge Eye Associates PA
Cambridge Family Health PC
East Central Audiology
Family Psychological Associates
FBTA Counseling
Gibbons Eye Clinic
Winkley Orthotics & Prosthetics

SERVICES (continued)
Dental
Brian Anderson DDS
Cambridge Dental Center
Cambridge Orthodontics
Central Lakes Oral and Facial Surgery
Dental Office Steve Schwarten
Mark A Poernich, DDS PA
Paul G Smith, DDS
Entertainment/Recreation
Cambridge Theater - 5 Screens
Curves
Systema Russian Martial Arts
Professional Services
Anderson Land Surveying
Dale Wagner Attorney Office
Dave Erickson Designers
Lindberg & Mckinnis PA
Norton Larson Law Office
Parker Satrom & Donegan Law Office
Other Services
Fusion Youth Group
Guardian Angels Elim Home Care Inc
Habitat for Humanity Office
Milacs Oil Company Office
Myron Lindstrom & Company
Scottsman – Isanti County News
TPC Computer Support
Fraternal
American Legion Post 290
Government Office
City Hall
Auto License Bureau WD Registar
Cambridge Area Chamber of Commerce
Cambridge Armed Forces Reserve
Cambridge Community Center
Drivers License Bureau
East Central Regional Library
United States Post Office
US Army Recruiting
US Navy Career Center

VACANT
Eleven Vacant

CAMBRIDGE - EAST TH-95 AREA
RETAIL TENANT MIX

CONVENIENCE RETAIL
Food
Cub Foods
Drug Store
Merwin LPC Pharmacy
Walgreens
Liquor
Northbound Liquor &Wine
Hardware
Fleet Go: Do It Best Hardware

FOOD SERVICE
Full Service
Perkins Restaurant & Bakery
Applebee's Neighborhood Grill & Bar
Limited Service
Subway
Sonic Drive-In
Papa Murphy Take-N-Bake Pizza
Arby's
Wendy's
Culver's Frozen Custard
Domino's Pizza
Caribou Coffee
McDonalds

CONVENIENCE/GASOLINE
Convenience/Gasoline
Walmart Fuel Express
Sinclair/Dino Mart
SuperAmerica
Cub Fuel Express
Fleet Go Gasoline

SHOPPING GOODS
General Merchandise
Sears
Walmart Supercenter
Kohl's
Target Discount Store
Furniture & Home Furnishings
Abby Carpet & Floor
Electronics
Verizon Wireless

SHOPPING GOODS (continued)
Other Shopping Goods
Cartridge World
Office Max
Guitar Shop
Pre-Owned Merchandise
Game Stop
Trade Zone
Lemon Street Pcom

HOME IMPROVEMENT
Home Improvement
Menards Home Center

AUTOMOTIVE
Auto/RV Sales
Greenberg Used Cars & Trucks
Cambridge Chevrolet, Buick, Pontiac, GMC
Auto Parts
Trucks'n'Toys Ltd
NAPA Auto Parts

SERVICES
Auto Services
Valvoline Lube Center
95 Car Wash
Personal Care
Tanning Express
Star Nails
Fantastic Sam's
Great Clips
Personal Services
Strike Funeral Home
Vet Care Clinic
Pet Salon
Next to Best Thing to Mom Child Care
Business Services
Mailboxes Plus
Financial
Affinity Plus Federal Credit Union
Peoples Bank
Cambridge State Bank
Minnco Credit Union (Cub)
H&R Block
A Best Tax Service
Ameriprise Financial

CAMBRIDGE - EAST TH-95 AREA
RETAIL TENANT MIX

SERVICES (continued)

Real Estate

Re/Max Real Estate Office
Success Homes North

Insurance

Insurance Brokers
Farmers Insurance
Cambridge Insurance

Medical

North Metro Chiropractic
Foot & Ankle Clinic
Allina Hospital & Clinics
HDR Rehabilitation

Dental

Masterson Personnel
OMS Oral Maxifacial Surgery Specialists

Entertainment/Recreation

Snap Fitness
Cambridge Mixed Martial Arts
Karate
Anytime Fitness

Professional Services

Drasin Law Office

Lodging

Crossings Inn & Suites

Other Services

Children’s Shelter of CEBU
Family Pathways Food Pantry
Sunshine Graphics Printing
Dellwood Crossroads
Young Life
Twin City Security

VACANT

Four Vacant

CAMBRIDGE - NORTH MAIN STREET
RETAIL TENANT MIX

FOOD SERVICE
Full Service
Joe's Main Street Grill & Smokehouse

SHOPPING GOODS
Furniture and Home Furnishings
Reds Appliance
Other Shopping Goods
WillowBridge Botique

SERVICES
Auto Services
Simmer Automotive/Auto Value
Star Quality Glass
Personal Services
Oakland East Area Learning Center
East Central Veterinarians
WillowBridge Center
Real Estate
Greater Midwest Realty
Insurance
Country Insurance & Financial Systems
Other Services
Rise Employment & Housing
Fashion Fitt - Alterations

VACANT
Two Vacant

CAMBRIDGE - SOUTH MAIN STREET
RETAIL TENANT MIX

FOOD SERVICE
Limited Service
Dairy Queen

CONVENIENCE/GASOLINE
Convenience/Gasoline
Holiday convenience store
BP service station
Casey's convenience store

SHOPPING GOODS
Other Shopping Goods
Allina Home Oxygen & Medial Equipment
Pre-Owned Merchandise
Buy Sell Trade Consignment

AUTOMOTIVE
Auto/RV Sales
First Avenue Auto Sales
Auto Brokerage
Town's Edge Auto
Affordable Auto Sales
Bowtie Auto Sales
Other Equipment Sales/Marine
Roach Golf Carts

SERVICES
Auto Services
Steve's Auto Sales Collision and Repair
Cambridge Radiator Service
Quality Car Care to the south
Personal Services
Central Beauty School
Little Red Wagon Child Care Center
Financial
Newton Financial Solutions
Medical
Total Health Chiropractic
Dental
Melissa L Hutchen's
Entertainment/Recreation
World on Wheels Skate Center
Other Services
Cliff's All Vacuum Sales Service Repair
Linn Care
Government
Isanti County Government Center

VACANT
Four Vacant

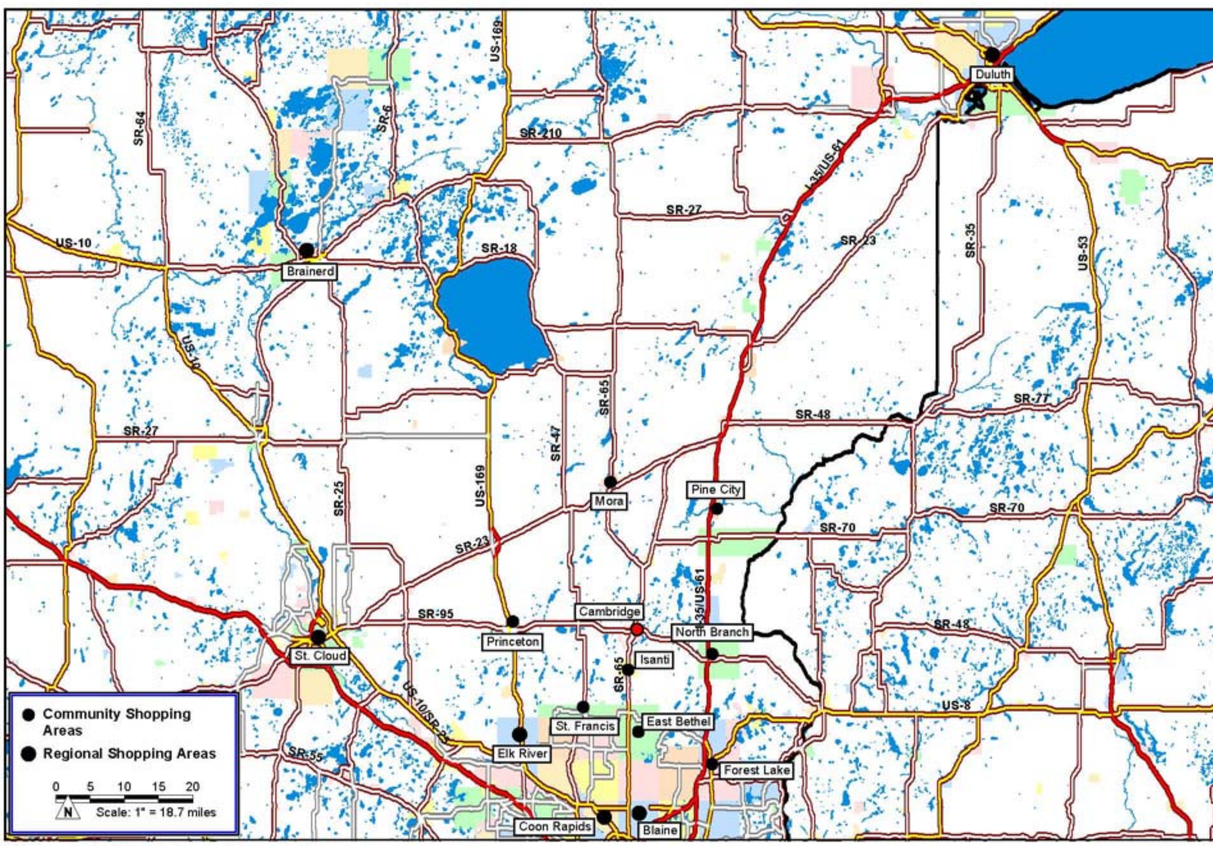
Chapter II

COMPETITIVE SHOPPING AREAS

Cambridge is a major shopping destination in east-central Minnesota. Major competitive shopping areas are in the northern Twin Cities suburbs, St. Cloud, Brainerd, and Duluth. Cambridge businesses also compete with nearby communities and major shopping destinations outside the trade area. These nearby shopping areas contain various levels of convenience and shopping goods retailers. Competitive shopping areas are shown on Map 2. Competitive shopping areas include neighboring communities such as Isanti, East Bethel, and St. Francis and larger cities such as North Branch, Princeton, Mora, Pine City, and Forest Lake. Elk River, Coon Rapids, St. Cloud, Duluth, Blaine, and Brainerd contain the nearest regional shopping concentrations. Competitive shopping areas are described below.

Map 2

COMPETITIVE SHOPPING AREAS



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SURROUNDING COMMUNITY SHOPPING AREAS

Eight surrounding communities serve the shopping needs of their residents. Retail businesses in these communities are predominately satisfying local convenience shopping and service needs, although there are a couple of exceptions. The retail offerings in these communities are shown in Table 3 and described on the following pages:

Table 3

COMPETITIVE RETAIL AREAS

Establishment Type	Isanti Highway	Isanti Downtown	North Branch Downtown	North Branch Highway	East Bethel	Princeton	Saint Francis	Mora	Pine City	Forest Lake Downtown	Forest Lake S. Downtown	Forest Lake Highway
CONVENIENCE RETAIL												
Food	1	3	2	1		1	1	5	1	2		4
Drug Store			1			1				1	1	2
Liquor	1			2	3	1	1	1	1		2	3
Hardware			1			2		3	2		2	1
Floral		1		1		1		1	1	1	2	
Video												
FOOD SERVICE												
Full Service	1	1	3	5	2	10	3	12	9	5	5	6
Limited Service	4		1	8	1	8	4	5	8	2	3	14
Drinking Establishments												
CONVENIENCE/GASOLINE												
Convenience/Gasoline	2			4	3	5	1	5	5		3	4
SHOPPING GOODS												
General Merchandise				1		1		1	2			2
Variety		1	2			2	1	1	1			
Apparel/Accessories	1					2					3	1
Furniture & Home Furnishings	2		2			3		4	2		3	1
Electronics				2		3		2	1	1	2	2
Other Shopping Goods	3	2	2	1	1	7	1	7	6	11	9	5
Pre-Owned Merchandise		3	3		1	5		3	1	1	1	
HOME IMPROVEMENT												
Home Improvement								1	1	1	2	2
Lawn & Garden	1		1									
AUTOMOTIVE												
Auto/RV Sales	2			2	1	6		6	4	1		8
Auto Parts			2	1		3	1	3	2		2	2
Other Equipment Sales/Marine	1	1			2			4				
Subtotal	19	12	20	28	14	61	13	64	47	26	40	57
SERVICES												
Auto Services	2	1	1	3	2	11	2	6	7	2	7	9
Personal Care	3	1	4	5	1	13	4	11	10	3	10	7
Personal Services	3	2	1	4	1	6	2	4	3	8	3	4
Business Services	1		1	1		2					2	3
Laundry/Dry Cleaning	1		1			1		1	1		2	1
Financial	4	2	4	9	2	12	4	13	16	8	3	5
Real Estate	1		1	1		6	1	5	2	3		1
Insurance	1	2	1	2	1	5		6	5	3	3	4
Medical	1		2	1	1	14	3	6	10	4	5	3
Dental	1	1	3	1		5		2	2	3		1
Entertainment/Recreation	1	1	1	4	2	5	1	4	3	2	5	1
Professional Services	1		3					2	4	4		2
Lodging				3		2		2	3			1
Other Services	1	1	2		5	10	1	4	2	2		2
Fraternal		1	1			1			1	1		1
Government Office		3	4	1		1		2		2	1	
Vacant	15	3	5	11	2					13	5	5
Subtotal	36	18	35	46	17	94	18	68	69	58	46	50
TOTAL	55	30	55	74	31	155	31	132	116	84	86	107

Source: McComb Group, Ltd

- **Isanti** is located five miles south of Cambridge and had a population of 5,251 in 2010. Retail offerings in this community are located in two areas: downtown and along the highway. The downtown retail area has 30 establishments (18 services and 12 retail stores); while the highway retail area has 55 establishments (36 services and 19 retail stores). Food service, shopping goods, and financial services are the largest categories for the highway retail area and shopping goods is the largest category for the downtown retail area.

- **North Branch**, located on I-35 12 miles southwest of Cambridge, had a population of 10,125 in 2010. In total, North Branch has 129 retail and service establishments divided into two retail areas: downtown and highway retail area. The downtown retail area, anchored by Nelson's Market and complemented by various other retailers, has over 50 establishments, which includes about 20 retail stores and 35 service establishments. North Branch highway retail area has 28 retail stores and 46 service establishments, which includes North Branch Marketplace, the newest major retail development in the area. North Branch Marketplace, located west of downtown at I-35 and TH-95, contains 160,000 square feet of retail anchored by County Market and Shopko. Tanger Outlet Mall is also located in North Branch. This outlet center capitalizes on I-35 traffic and draws shoppers from a wide area.

- **East Bethel**, a community of 11,626 people, is located 16 miles south of Cambridge on TH-65. East Bethel offers 31 establishments including 14 retail stores and 17 service establishments. These retailers do not provide the basic shopping needs of local residents, forcing them to shop in other surrounding communities.

- **Princeton**, located 18 miles directly west of Cambridge on TH-95, had a population of 4,698 in 2010. Princeton has about 155 retail and service establishments, with the largest categories being shopping goods, food service, auto services, personal care/personal services, financial and medical. Major retailers include: Coborn's, Thrifty White Pharmacy, Ace Hardware, True Value Hardware, Pamida, and Ossell Department Store.

- **St. Francis**, located 20 miles southwest of Cambridge, is a growing bedroom community of the Twin Cities metro area with a population of 7,218 in 2010. In total, St. Francis has approximately 13 retail stores and 18 service establishments. County Market is the largest retailer in St. Francis; however, the community continues to expand its retail and service offerings.

- **Mora**, located 24 miles north of Cambridge on TH-65, had a population of 3,571 in 2010. Mora has a total of more than 132 retail and service establishments. Major retailers include: Coborn's, Nelson's Market, Ace Hardware, Mora Family Hardware, and Pamida. Additional retail includes over 59 retail stores and 68 service establishments, with food service, personal care/personal services, and financial providers having the largest categories.

- **Pine City**, located 26 miles northeast of Cambridge on I-35, had a population of 3,123 in 2010. Major retailers in Pine City include: Nelson's Market, Walmart Supercenter and Pamida. Other large categories include: food service (nine full service and eight limited service establishments), personal care/personal services, financial services, and medical providers. In total, Pine City has 116 retail and service establishments.

- **Forest Lake**, located 27 miles southeast of Cambridge, had a population of 18,375 in 2010. This community is representative of the continuing outgrowth of the Twin Cities metro area, and the significant retail development that often follows. There are three retail areas in Forest Lake:

  - **Highway** retail area has benefited the most from the development of big box retailers in Forest Lake including Target, Home Depot, Menards, Wal-Mart, and Cub Foods. These large format retailers, totaling an estimated 500,000 square feet, anchor the shopping area. This area also includes a significant number of auto service establishments, a variety of convenience and shopping goods retailers, and many food service establishments including Applebee's, Famous Dave's, Perkins, and Culver's.

  - **South Downtown** retail area (TH-61) and the **Downtown** central business district are the other primary retail areas of Forest Lake. These long-established retail areas predominantly serve the community's service and convenience retail needs. They include a large number of service establishments, retail shopping businesses, and many food service options. Retail merchants in these areas include O'Reilly's Auto Parts, Thrifty White Pharmacy, Ace Hardware, Blockbuster Video, and a five-screen movie theater.

  Forest Lake, like Cambridge, has benefitted from residential expansion of the Twin Cities metropolitan area. As a result, it experienced development of big box retailers and a growing number of smaller stores and services.

With the exception of Forest Lake, these neighboring communities generally contain convenience goods retailers, service providers, and in some cases, discount stores.

REGIONAL SHOPPING CONCENTRATIONS

There are three major regional shopping concentrations surrounding Cambridge: the northern edge of Twin Cities metro area to the south, the St. Cloud area to the west, and the Duluth area to the northeast. The retail offerings of these larger shopping areas are discussed below.

Twin Cities Metro Area

As the Twin Cities suburban area expands to the north, so do the shopping center offerings. These additional shopping options provide easy accessibility to residents in and around Cambridge. These northern tier suburbs, most specifically Elk River, Coon Rapids and Blaine, are becoming regional shopping nodes with fairly new and substantial retail developments. Shopping centers and stores in these areas are generally located along the principal highways leading to the Twin Cities metro area from the north, for example; I-35, TH-65, TH-169 and TH-10. These shopping areas provide convenient shopping choices to residents in communities north of the metro area.

- **Elk River**, a rapidly growing community located about 25 miles southwest of Cambridge, has two retail concentrations.

  - **TH-169 Shopping Area** has developed into a community-sized shopping area. This retail corridor starts north of the intersection of TH-101 and TH-10 and includes Wal-Mart Supercenter, Home Depot, Cub Foods, Coborn's Superstore, Menards, and a large movie theater. These anchor retailers attract other establishments including medical centers, services, auto services, and food service establishments as well as a variety of convenience and shopping goods retailers. This area enjoys heavy traffic flow with excellent visibility for most locations.

  - **Downtown Elk River Area** is located northwest of the TH-101 and TH-10 intersection on the Mississippi River. This area has over 70 business establishments, with over half of them in the service category together with a number of retail stores and food service options. While providing the community's service and retail needs, downtown Elk River has a historic character as it is the city's original downtown.

- **Coon Rapids**, about 30 miles southwest of Cambridge, is home to the Riverdale shopping area, which includes three large retail concentrations:

  - **Riverdale Commons** (308,671 square feet), developed in 1998, is south of TH-242 and east of Round Lake Boulevard, and is anchored by Target Greatland, Home Depot, and Rainbow Foods. This area offers a variety of retail shopping choices, plus many food service choices and other services, including personal care, financial, and real estate.

  - **Riverdale Village** (900,000 square feet) is located on the north side of TH-242/Main Street east of Round Lake Boulevard, and is directly north on TH-242 from Riverdale Commons. This center, anchored by Kohl's, Sears, JCPenney and Best Buy, contains many other business establishments. Costco, Menards, and Lowes are located in the area of Riverdale Village.

  - **Riverdale Crossings** (315,715 square feet) opened in 1990 and is located north of TH-10 and west of Round Lake Boulevard. Riverdale Crossings is anchored by Cub Foods and Wal-Mart, and offers over 40 other business establishments including shopping goods, convenience retail, food service, and other services.

  Additional services are also located east of Round Lake Boulevard. This area is dominated by automotive services and sales, other services, and some food service choices.

- **Blaine,** located 30 miles south of Cambridge, has been a regional shopping area for the northern suburbs and areas to the north for over 20 years. Northtown Mall anchors the largest shopping area. Other shopping areas are being developed as the area continues to grow. Blaine retail areas account for over 2.7 million square feet of retail gross leasable area (GLA). Major retail centers in Blaine are described below.

- **Northtown Mall Area** is the largest retail concentration in Anoka County. Northtown Mall (976,239 square feet) opened in 1972 and was renovated in 2007. The mall is conveniently situated just south of TH-10. Northtown has five anchors: Best Buy, Burlington Coat Factory, Herbergers, Home Depot and LA Fitness, and over 100 tenants. Becker Furniture World is the newest addition to the area. The Northtown area is the hub for area retail. Other major retail stores in the Northtown area include Target, Sam's Club, and Wal-Mart. Additional retail concentrations are described below.

- **Northtown Village** (179,903 square feet), across from Northtown Mall, offers Sports Authority, Office Depot, Michael's, Bed Bath & Beyond, and others.

- **Northcourt Commons** (129,468 square feet), east of Northtown Mall, opened in 1989. This shopping area features Barnes & Noble, Office Max, and Pier 1 Imports, with additional small service and retail establishments.

- **Rainbow Village** (130,993 square feet), north of Northtown Mall, opened in 1990 and is anchored by Rainbow Foods and Marshalls.

- **TH-65 Corridor** retail areas are evolving in a linear fashion along TH-65 in Blaine in response to growing population. Major retail nodes include:

    - **Victory Village** (375,000 square feet), anchored by SuperTarget, includes TCF, Marble Slab Creamery, Chili's Restaurant, T-Mobile, Wendy's, Leann Chin, Great Clips, Famous Footwear, and Tutor Time.
    - **National Market Center** (450,000 square feet), located at TH-65 and 105th Street, includes Kohl's and Menards as anchors with several retail and service establishments plus a number of restaurants. Other major retailers in the area include: Lowes, SuperTarget, and Best Buy.
    - **Blaine Town Center** (144,092 square feet) is an established retail strip at Main Street (TH-242) anchored by Cub Foods. New developments in this area include redevelopment of the former Northgate Mall site with Walgreens and Gold's Gym, and the completion of Main Street Marketplace (32,000 square feet). Other offerings include Hankerings All Day Grill, Blockbuster Video, Starbucks, and others.

Other significant developments recently completed along I-35W include:

- **Village of Blaine** (500,000 square feet) opened in 2002 at I-35W and Lexington Avenue and includes Wal-Mart, Home Depot, Cub Foods, Michael's Crafts, as well as Applebee's, Green Mill Restaurant, Walgreens, and others.

- **Lino Lakes Town Center** located at I-35W and Lake Drive is anchored by SuperTarget and Kohl's, with Caribou Coffee, McDonalds, and others.

Retail offerings in the northern Twin Cities area will continue to expand and create increasing congestion. Currently, some residents of the northern Twin Cities suburbs are shopping in Cambridge because it is more convenient to do so to avoid congestion.

St. Cloud Area

Situated 45 miles west of Cambridge, the St. Cloud area has served as the dominant regional shopping area for central Minnesota for many years. This shopping area is comprised of a regional mall, strip shopping centers, and commercial strips with freestanding stores of all types. Crossroads Shopping Center anchors these areas, which are generally located along either TH-15 or Division Street in the St. Cloud/Waite Park area; or along TH-10 and TH-23. These areas total more than three million square feet of retail GLA. St. Cloud shopping centers include:

- **Crossroads Shopping Center** (781,566 square feet) at TH-15 and Division Street is anchored by Macy's, JCPenney, Sears, Scheels All Sport, and Target, and features 120 stores and restaurants.

- **Rivertown Village** (152,845 square Feet), also at TH-15 and Division Street, opened in 1999 as Rainbow Village and was re-merchandised in 2004 as Rivertown Village. Anchors include: Barnes & Noble Booksellers, Office Depot, Old Navy, and Bed Bath & Beyond. Other tenants include: Chipotle, Cold Stone Creamery, Granite City Brewery, and others.

- **Division Place Fashion Center** (131,000 square feet), east of Crossroads Center, offers TJ Maxx, Audio King, and Pier 1 Imports.

- **Midtown Square** (165,885 square feet), east of Crossroads Center, is anchored by MINCO, Midtown Fitness Center, and Old Country Buffet.

- **St. Cloud Westgate** (110,000 square feet) is east of Crossroads Center and features Byerly's Foods, Office Max, and Media Play.

- **Marketplace of Waite Park** (108,000 square feet) is a K-Mart anchored strip with Crafts Direct, Outback Steakhouse, and the Dollar Store.

- **Second Street Quad** (113,511 square feet) has PetSmart, Aldi, Northern Tool, and Dunham Sports.

Other major stores in the area include Wal-Mart, Sam's Club, Shopko, Kohl's, Herbergers, Best Buy, Michael's Arts & Crafts, Menards, Home Depot, CashWise Foods, Coborn's Superstores, and Gander Mountain.

Brainerd and Baxter

Brainerd and Baxter, about 80 miles northwest of Cambridge, are evolving into a sub-regional shopping area as more major retailers open stores in Baxter. Located at the gateway to the Brainerd Lakes resort area, it attracts heavy patronage during the summer months. Brainerd (the older retail area) has over 170 retail stores and 160 service establishments. Shopping goods retailers represent almost half of Brainerd's retail establishments followed by food service.

The majority of the retail in Brainerd is located along TH-210 and in downtown and provides the city with a wide variety of convenience and shopping goods, services, and eating establishments. There are two major shopping centers in Brainerd:

- **East Brainerd Mall,** located on the east, is anchored by Cub Foods. Tenants in this mall include Anytime Fitness, Dollar Tree, Birgits Jewelers, and other small retailers. This mall has recently added five retail spaces.

- **Westgate Mall**, Brainerd's largest shopping center, is an enclosed shopping mall situated between Brainerd and Baxter. This mall is anchored by Herberger's. Other tenants include GNC, Foot Locker, Christopher & Banks, Bath & Body, JoAnn Fabrics, Payless ShoeSource, and Casual Corner.

Baxter is home to a number of big box retailers such as Target, Walmart Supercenter, Office Max, Kohl's, Best Buy, JCPenney, and Menards. Additionally, Baxter has over 100 retail stores and 80 service establishments. These retailers are located along TH-371 and TH-210.

Duluth Area

Duluth is located 100 miles north/northeast of Cambridge. Duluth is a long-time regional shopping area serving northeastern Minnesota and northwestern Wisconsin. Duluth is home to three major retail concentrations.

- **Miller Hill Mall** (797,200 square feet) is anchored by three department stores: JCPenney, Sears, and Younkers. This center offers over 110 stores including Old Navy, Abercrombie & Fitch, American Eagle, Champps, and Barnes & Noble Booksellers.

- **Stone Ridge Shopping Center** (330,000 square feet) is located southeast of Miller Hill Mall and is anchored by Cub Foods, Shopko, and Office Max.

- **Village Mall Shopping Center** (122,331 square feet) is also in the Miller Hill Mall area and features Golf USA, Gavsman & Moore, Wells Fargo, and Dollar Days.

Other major stores in the Duluth area include Wal-Mart, Sam's Club, Kohl's, Target, K-Mart, Best Buy, TJ Maxx, Home Depot, Menards, Gander Mountain, REI, and Dunham Sports.

SUMMARY

Cambridge's two primary retail areas--Downtown and East TH-95--contain over 200 retail and service establishments. This is the largest concentration of retail establishments in the primary and secondary trade areas. The areas north and south of Downtown along Main Street are minor retail areas by comparison and provide another 36 additional retail and service establishments. Cambridge provides many of the retail, dining, and service needs of trade area residents. Other consumer needs are likely fulfilled by regional shopping areas such as St. Cloud or the Twin Cities metro area.

Chapter III

CAMBRIDGE MERCHANT INTERVIEWS SUMMARY

Interviews were conducted with 20 Cambridge area business owners or managers. There were 14 Downtown businesses and six East TH-95 retail area businesses that participated. The primary purpose of these interviews was to determine opinions related to the strengths and weaknesses of Cambridge and solicit ideas and opinions regarding changes to retailing in Cambridge. All responses are verbatim and reflect the respondents' personal opinions; they were not screened for accuracy.

"Where Do Your Customers Live Or What Areas Do They Come From?"

Downtown Respondents

The majority of Downtown retailers stated that their customers are from within the City of Cambridge. Five businesses stated that they also see customers from Mora, four businesses listed Braham, and three listed Princeton as communities that they draw customers from. Other Downtown businesses feel their customers come from surrounding communities and adjacent counties. Additional responses included:

- 40 miles away, possibly more.
- We reach statewide because of our marketing efforts and unique merchandise offerings. We don't draw much from local.
- 20 mile radius.
- 30 mile radius.
- Some from the cities.

East TH-95 Retail Area Respondents

Three of the East TH-95 retail area respondents felt that most of their customers came from within 15 to 20 miles of Cambridge. Two respondents felt that they drew customers from north of Cambridge, one respondent draws from a 30 mile radius, and one respondent felt they drew from a five-mile radius around Cambridge.

"Are There Other Businesses In Cambridge That Attract Customers That Shop At Your Store?"

Downtown Respondents

Four out of 14 respondents felt that big box stores attract customers to Cambridge that also shop at their stores. Four respondents felt that cafes and restaurants attract customers that also shop at their stores. Other Cambridge retailers that attract customers include: Herman's Bakery, City Center Market, the hospital, The Leader, Scout Morgan Books, strip mall, post office, and the banks.

East TH-95 Retail Area Respondents

All of the respondents from the East TH-95 retail area felt that the big box stores attracted customers that shop at their stores, more specifically Walmart and Target. Other big box stores were also mentioned, such as Menards, Office Max, Cub Foods, Lowes, and Kohl's. One respondent felt that the mall they were in attracted customers to their store, and another respondent felt that they were the destination for shoppers.

"What Are Cambridge's Strengths For Your Business?"

Downtown Respondents

When asked to describe the primary strengths of doing business in Cambridge, four of the 14 respondents felt that the small town charm and lack of competition (in their business category) was a strength. Three respondents mentioned friendly people as a strength. Two respondents felt that the regional draw and growing population were strengths for Cambridge. Other responses to the question "What are Cambridge's strengths for your business?" are listed below:

- People have a lot of options to shop in Cambridge.
- Median income.
- Hwy 65 and 95 crossing downtown.
- Strong churches and faith-based community.
- We can be more visible because it is a small town.
- Strong industry base.
- It's a strong knit community and word of mouth works here.
- Loyal customers.

In general, these comments suggest that business owners have positive feelings about Cambridge retail areas. They like the small town atmosphere, limited competition, and friendly people. They continue to see Cambridge as a good location for them.

East TH-95 Retail Area Respondents

Three out of six East TH-95 retail area business owners interviewed mentioned "small town feel" as a strength for doing business in Cambridge. Two of the six merchants mentioned the loyalty of community to support local business as a strength. Additional responses to the question "What are Cambridge's strengths for your business?" are listed below:

- There are outlets for networking, businesses do cross-promote.
- Cambridge is a regional hub.
- Medium sized shopping hub for surrounding towns.

East TH-95 retail area business owners enjoy the small town feel of Cambridge and appreciate the community's willingness to support local businesses.

"What Are Cambridge's Weaknesses For Your Business?"

Downtown Respondents

When asked to describe the weaknesses of doing business in Cambridge, Downtown business owners have various answers. Four respondents mentioned Cambridge's limited size as a weakness. Three respondents mentioned traffic as a weakness. Railroad tracks, empty buildings, lack of customers for their format, and lack of activity downtown each had two responses. Other verbatim responses are shown below:

- Signage issues – thought we'd gotten somewhere with this, however there is still too much regulation.
- Distance between east side and downtown.
- Parking problems.
- Lack of restaurants.
- Lack of cross-promotion and marketing options.
- Cambridge customers are hard to penetrate, downtown is hard right now.
- Overall, lack of community presence.
- Lack of summer parades.
- Some of the commercial developments have just been thrown in without overall plan for Cambridge considered.
- Could use better aesthetics for entering town on 95 and 65 to really help people want to make Cambridge a place to stop, live, and shop.
- Low income and education levels.
- Economy.

There were a variety of issues and concerns from Downtown Cambridge business owners; however, the area of most concern for Downtown retailers is the size of the town and its limited population. Another concern for the Downtown retailers is the traffic.

<u>East TH-95 Retail Area Respondents</u>

Two of the six business owner respondents were concerned about the foreclosure rate in Cambridge and the lack of development/growth. Other individual opinions are listed below:

- Cambridge business community is a tough crowd; it is hard to develop relationships.
- Cambridge has been hit by the economy.
- Small town, they are clicky.
- Traffic and congestion, railroad tracks.
- Rent is too high for being this far from the cities.

"What Types Of New Businesses Would You Like To See In Cambridge?"

<u>Downtown Respondents</u>

When asked "What types of new businesses would you like to see in Cambridge?" overwhelmingly, respondents asked for a restaurant. Each respondent was very specific about the type of restaurant it should be, restaurant types included: quality non-chain, "decent," sit down, national sit-down, upscale, steakhouse, and healthy options/organic (two respondents). Four respondents felt that there needed to be more specialty shops or boutiques. Two respondents would like to see more manufacturing type business that would bring in more employment. Other ideas mentioned were:

- Antique mall
- Things for kids to do, a YMCA or batting cage would be huge!

- That is difficult because the business would have to start out small and then expand; it's very hard to do.
- Nothing really.
- Commercial entrepreneurs.

East TH-95 Retail Area Respondents

When East TH-95 retail area business owners were asked "What types of new businesses would you like to see in Cambridge?" five out of six respondents mentioned the need for restaurant. Their ideas for additional food service included: casual dining, Chipotle, Red Lobster, Mexican food, nice restaurant, and sit down restaurant. Other ideas mentioned were:

- Activity center like YMCA to entertain the kids.
- Anything local, no more chains or big boxes.
- We want to shop local, but not many choices.

Overall, survey respondents would like to see a more food service options within Cambridge; with the main emphasis on sit-down casual dining, specialty shopping, and youth activities.

"Have Your Sales Increased Or Decreased Since 2007?

Downtown Respondents

Six of the 14 respondents have seen increases in their sales since 2007; however, most of them did not disclose the average increase. Retailers attributed their increases to the following:

- We have grown in size since then.
- More customers, expanded services, customer service, low pricing, clean environment, and cross promotion with schools.
- Word of mouth from happy customers.
- Grown in size for the last 1 ½ years, increased sales by department, adding retail, and increased customer base.
- We've worked hard to bring people back to the store.

Six respondents reported decreasing sales. All of these respondents cited the economy as the reason for their losses. The decreases range from 10 to 15 percent. Other explanations given for the decrease in sales are:

- Internet sales.
- Entrance of big boxes.
- Our industry as a whole is suffering nationwide.

East TH-95 Retail Area Respondents

Three of the six East TH-95 retail area respondents have seen an increase in sales since 2007. These retailers attribute the sales increases to changes to their businesses. Two retailers report flat sales and one retailer has experienced a slow decrease in sales since 2007.

All Respondents

Almost half of the retailers that responded to this survey have seen varying degrees of sales increases since 2007. Many of the retailers in Cambridge attribute their increases to changes within their business model. For the retailers that have experienced flat or decreasing sales, the most cited cause is the economy.

"Do You Have Any Plans For Changes To Your Business In The Next Three Years?"

Downtown Respondents

Five of the respondents did not have any plans for changes to their business in the next three years. Three of the respondents said they will continue to grow their business. Two respondents said they plan on making changes, but no formal plans at this time, and two respondents said that they were always changing. Other responses to this question are listed below:

- I'm waiting for the economy to change.
- More use of social media marketing.
- Add new products, marketing, promotions, and attend more shows.

East TH-95 Retail Area Respondents

East TH-95 retail area respondents have various plans for change as shown below:

- We've had to develop another business category, which we plan to grow.
- Our lease is up in a year, so we have the option to move, we would like to build our own building.
- We want to grow, but it might not be financially possible because of the expense of a new store. We want to own our own building.
- Find a less expensive location.

All Respondents

In general, Cambridge businesses are continuing to look for ways to improve their business by making changes to their current operations. There are a few retailers that want to expand their facilities, which is encouraging; however, the cost of a new store is a concern.

"What Changes Do You Believe Would Improve Your Retail Business?"

Downtown Respondents

When asked what could be done to improve their business, Downtown business respondents had varying responses:

- Fill empty spaces (3 respondents).
- New businesses downtown (2 respondents).
- Redevelop downtown, make it more desirable (2 respondents).
- Population growth (2 respondents).
- Nothing (2 respondents).

- We are located on the north side of Cambridge, off the beaten path; we'd like passenger rail, lower property taxes, and better marketing options.
- Expand State Highway 95.
- City and chamber support of Downtown (including signage on the east side).
- Increased parks, recreation, aesthetics in town to draw new growth and enjoyment for visitors.
- Get the customers Downtown! The growth on the east side has changed focus for consumers.
- They could all come here.
- Gas could cost less, better east-west transportation through town.
- We do not utilize Downtown to its potential.
- More unique businesses that would attract a demographic typical for natural foods. More infrastructures designed to help small businesses. For example, tax breaks should not be just for big stores.

East TH-95 Retail Area Respondents

When East TH-95 retail area business owners were asked what could be done to improve their business, their responses varied, as shown below:

- Traffic, congestion, and railroad tracks.
- City could change sign ordinance – temporary banners could be a permit process. The ordinances are too restrictive by the city. They think they are necessary like we are a large town, but they are not necessary out here.
- Rent is high! We have to give up too much of our profit to be here. There needs to be more options for renting.
- Big Boxes close! Remove the competition.
- Nothing.
- I am satisfied right now.

"What Changes Do You Believe Would Improve Retail Business For All Retailers In Cambridge?"

Downtown Respondents

When Downtown business owners were asked for ideas or changes that would improve the general state of retail in Cambridge for all retailers, they offered many ideas:

- Lower property taxes (2 respondents).
- More traffic. Better visibility. Access to passenger rail. Better marketing options.
- Solve the railroad problem.
- City and Chamber support of Downtown (including signage on the east side).
- More focus on aesthetics of town to draw people to overall Cambridge experience. Where are the tree/landscaping in the medians on 95/Main Street?
- Redevelopment of Downtown.
- Advertising isn't working. There are three clothing stores Downtown, which are driving the wrong clientele.
- Additional parking, signage opportunities.

- Make Downtown more desirable. Bring back the old events that draw people Downtown--parades, street dances, carnivals, BBQs.
- Less empty store fronts.

East TH-95 Retail Area Respondents

East TH-95 retail area business owners were asked for their ideas of changes that would improve the general state of retail in Cambridge for all retailers. East TH-95 retail area merchants had the following ideas:

- Better signage so that people driving through town know what we have (2 respondents).
- More local business owners.
- Give us all a tax break.

"Has The Growing Retail Area East Of TH-65 And TH-95 Attracted Customers That Shop At Your Store?"

Downtown Respondents

Business owners were asked if the growing retail area east of TH-65 and TH-95 has attracted customers that shop their stores. Five of the 14 respondents did not believe the growing east retail area attracted customers that shopped at their stores, four respondents believed it did provide customers and three respondents didn't know. Two respondents offered the following:

- Expansion grew me out of the east side because the assessments were too high. Thought I'd have to market more when I moved to the west side, but I actually grew because people didn't like the traffic on the east side.
- We have a location that was built because of the growing retail east of town and the customers go there for convenience.

East TH-95 Retail Area Respondents

Because of their location on the east side of Cambridge, all of the East TH-95 retail area respondents felt that the big boxes and other retail options on the east side also benefit their businesses.

"What Effects Have You Noticed Because Of The Growing Retail Area East Of TH-65 And TH-95?"

Downtown Respondents

When asked about the effects of the growing retail area east of TH-65 and TH-95 five of the 14 respondents did not feel there were any effects. Four respondents felt there was more traffic and three respondents thought there were more people because of the recent growth in east Cambridge. Two respondents felt that although there may be more people coming to Cambridge, they are not coming to Downtown.

East TH-95 Retail Area Respondents

The biggest effect the East TH-95 retail area respondents have felt was more traffic and a larger drawing area. One respondent felt that rent is high because of the recent growth.

"What Would Help You Capitalize On This Customer Traffic?"

Downtown Respondents

Downtown respondents felt that more marketing efforts (4 respondents) and signage (3 respondents) would help them capitalize on the increased customer traffic. Additional ideas are listed below:

- Efforts to promote Downtown as a "pleasant alternative."
- Widen 95 all the way through town, presently it bottle necks and makes it slow and less desirable to go through town.
- The mentality of this generation and consumers in general is price driven. Shop locally is not in their frame of mind.
- I don't want to, I moved from over there.
- Events to draw people to Downtown.
- No Trains!

East TH-95 Retail Area Respondents

Because of their location on the east side of Cambridge, these retailers already capitalize on the increased consumer traffic. However, two respondents felt that signage would help them and one respondent felt they needed a better entrance/exit to their mall.

"What Are The Best Restaurants In Or Near Cambridge?"

All Respondents

There were 20 total respondents and they were allowed multiple answers. The high number of "don't know" or no answer is an indication of a void in the market of quality restaurants.

Response	Times Mentioned
Don't Know/NA	7
Sidelines	5
Cambridge Bar & Grill	5
Applebees	4
Wintergreens	4
Pinebrook	3
Joes on Main	2
Perkins	2
Peoples Café	1
Herman's Bakery	1
Culvers	1

"If You Were To Go Out For A Nice Sit-Down Meal, Where Would You Go?"

All Respondents

Respondents' choices for nice sit-down restaurants are listed below. There were 20 total respondents; however, they were allowed multiple answers. Wintergreen's, located in Isanti, is the favorite sit-down restaurant of the respondents, followed by Applebee's and Pinebrook.

Response	Times Mentioned
Wintergreens	4
Applebees	3
Pinebrook	3
Go to Cities	3
Olive Garden	2
DJ's (Don Julio's)	2
Not in Cambridge	2
Sidelines	1
Red Lobster	1
Green Mill	1
TGIF	1
Timberlodge	1
Purple Hawk	1
Don Julios	1
Peoples	1
Mandrin	1
Culvers	1
Don't Know	1

Other Comments

As a final question, the business owners were asked if they had any further comments or questions. Respondent verbatim responses are reported below:

- Would like to see a Mexican restaurant like Don Julio's in North Branch. We should ask him to expand here in Cambridge. I would like an Italian restaurant like Olive Garden or a Chipotle. Anderson Drug is too big of a space to sit vacant -- we need to attract someone to come and locate here. Parking issue could be solved by demolishing an old building and putting in a ramp. Commuter rail would be huge -- should pursue that!
- I have had an idea that they should block off Main Street and make it more of a walking area, eliminate the traffic and make it a courtyard with parking in the back. Retail is fading away in Downtown and we need to do something.
- There are a number of buildings Downtown that have signage and awning issues. They need to be fixed or taken down. I understand that the economy makes this hard, but they don't look good.
- I sometimes feel the Downtown area is being forgotten by the city and not promoted. They should encourage new franchises to come Downtown or work with small businesses to open. Too much micro managing with signage -- rules, etc.

- Cambridge is a great community with some really great people, just expensive to be a business owner here.
- Overall, experience has been positive. It has taken me over four years to establish respect and trust within the business community. There is a lot of business to be had here; you just need to find your niche.

Summary

The purpose of this survey was to determine the respondents' opinions and perceptions of being a business owner in Cambridge. In general, both Downtown and East TH-95 retail area retailers enjoy their locations within Cambridge; and each of these retail areas have unique positives and negatives that are specific to their area. Most retailers like the small town feel of Cambridge because of the limited competition and friendly people; however, they also mention small town feel as weakness because of the limited draw from a small population. According to the respondents, East TH-95 retail area development has had minimal effect on Cambridge. Downtown retailers have experienced mixed results; some retailers felt it increased sales; however, there hasn't been a big change in foot traffic Downtown. East TH-95 retail area retailers feel the increase in traffic.

Cambridge retailers have experienced varying changes in sales over the last four years, which is understandable with the current economic conditions. However, almost half of the respondents have seen sales increases, one-quarter of respondents sales have been flat and one-quarter of the respondents sales have decreased. Regardless, some Cambridge retailers desire to grow their businesses and are trying a number of methods to do so; however most are waiting out the current economic conditions before committing. Respondents believe that improvements in traffic patterns, Downtown vacancy, and signage issues would help their businesses become more successful.

Overall, survey respondents would like to see more restaurants in Cambridge. Currently, respondents travel outside of Cambridge to enjoy a sit-down meal; they are willing to drive as far as the Twin Cities to dine. Respondents feel the need for more restaurant choices and offer many suggestions for format, such as casual dining, Red Lobster, Mexican food, "nice restaurant," or steakhouse.

Chapter IV

CAMBRIDGE CUSTOMER SURVEY RESULTS

Retail and service businesses in Cambridge were asked to conduct a brief survey of their customers as part of this study. Nine businesses participated in this survey to determine home zip code, work zip code, and trip purpose of their customers. Survey participants are listed in Table 4 below. One business also contributed customer information that was used to help delineate the trade areas. These participants collected responses from 1,004 customers and provided important information on the Cambridge customer base.

Table 4

CAMBRIDGE CUSTOMER SURVEY; APRIL/MAY 2011

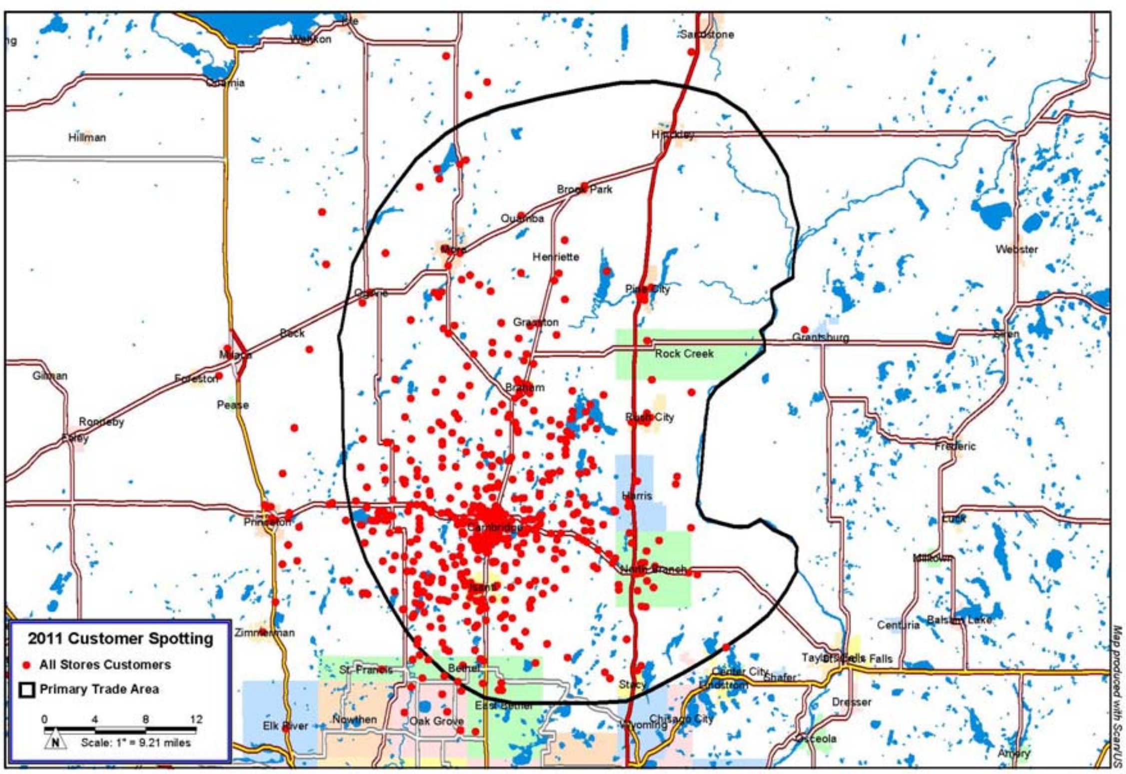
Business Participants		
Cambridge Dental Center	GTI Cambridge Theater	Northbound Liquor
Cambridge Eye Associates, PA	Herman's Bakery	Peoples Bank of Commerce
City Center Market (Mom's Co-Op)	Leader	Willowbridge Center

Contributed Customer Zip Codes
GTI Cambridge Theater

Results from the customer survey were used to determine a primary trade area for Cambridge. Residence addresses of survey respondents were geocoded and plotted on a map. Respondent home locations are shown on Map 3. Residents customer addresses are clustered in Cambridge, but are also distributed throughout the trade area. Customers residing outside the trade area are inflow shoppers.

Map 3

CAMBRIDGE PRIMARY TRADE AREA AND CUSTOMER SPOTTING



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The Cambridge primary trade area is based on respondent shopping patterns. Retail stores drew 89.7 percent of respondents from the primary trade area and 10.3 percent were inflow customers, as shown in Table 5. The proportion of trade area residents was similar for each retail business type ranging from 89.2 percent for the food store to 91.6 percent for the liquor store.

Services drew 89.6 percent of their respondents from the primary trade area and 10.4 percent were inflow customers. Primary trade area responses ranged from 69.2 percent for dental to 95.7 percent for financial institutions. Inflow customers ranged from 14.1 percent for medical to 30.8 percent for dental demonstrating the attraction of Cambridge health care providers.

Table 5

CAMBRIDGE CUSTOMER SURVEY; APRIL/MAY 2011
SURVEY RESPONDENTS BY TYPE OF BUSINESS

	Primary Trade Area		Inflow		Total	
Business Type	Number	Percent	Number	Percent	Number	Percent
RETAIL						
Food Store	462	89.2 %	56	10.8 %	518	51.6 %
Liquor Store	120	91.6	11	8.4	131	13.0
Apparel/Accessories	59	89.4	7	10.6	66	6.6
Subtotal	641	89.7 %	74	10.3 %	715	71.2 %
SERVICES						
Personal Care	67	93.1 %	5	6.9 %	72	7.2 %
Financial	89	95.7	4	4.3	93	9.3
Medical	85	85.9	14	14.1	99	9.9
Dental	9	69.2	4	30.8	13	1.3
Entertainment	9	75.0	3	25.0	12	1.2
Subtotal	259	89.6 %	30	10.4 %	289	28.8 %
TOTAL	900	89.6 %	104	10.4 %	1,004	100.0 %

Source: McComb Group, Ltd.

Almost 90 percent (89.6 percent) of the respondents live within the primary trade area with 50 percent living in the City of Cambridge, as shown in Table 6. Ten percent are inflow customers (customers living outside the primary trade area).

Table 6

CAMBRIDGE CUSTOMER SURVEY; APRIL/MAY 2011
SURVEY RESPONDENTS BY RESIDENCE LOCATION

Residence Location	Number	Percent
Primary Trade Area		
Cambridge	505	50.3 %
Isanti	129	12.8
Stanchfield	64	6.4
North Branch	43	4.3
Braham	35	3.5
Harris	26	2.6
Mora	26	2.6
Rush City	17	1.7
Other	55	5.5
Subtotal	900	89.6 %
Inflow	104	10.4 %
Total	1,004	100.0 %

Source: McComb Group, Ltd.

Work zip codes were provided by 451 respondents, which represent 44.9 percent of all respondents. Of the 451 respondents that provided a work zip code, 280 work in Cambridge, as shown in Table 7. A majority (65.7 percent) of those working in Cambridge also live in Cambridge. However, 34 percent of the respondents live outside Cambridge. This demonstrates the impact of Cambridge's position as an employment center supports local retailers.

Table 7

CAMBRIDGE CUSTOMER SURVEY; APRIL/MAY 2011
SURVEY RESPONDENTS THAT WORK IN CAMBRIDGE
BY RESIDENCE LOCATION

	Work in Cambridge	
Residence Location	Number	Percent
Primary Trade Area		
Cambridge	184	65.7 %
Isanti	23	8.2
Stanchfield	16	5.7
North Branch	9	3.2
Braham	9	3.2
Harris	5	1.8
Mora	9	3.2
Rush City	1	0.4
Other	8	2.9
Subtotal	264	94.3 %
Inflow	16	5.7 %
Total	280	100.0 %

Source: McComb Group, Ltd.

Survey responses to the question: "Why did you stop here today?" are contained in Table 8. "Regular customer" was the most frequent response for both primary trade area and inflow respondents: 73.1 percent and 40.2 percent, respectively. "Close to home" was the next largest response for the primary trade area with 47.2 percent, followed by "close to work" with 25.1 percent. "Close to home" was reported by 16.7 percent of the inflow customers and 25.5 percent of the inflow respondents indicated "close to work." Inflow responses for the other categories were very similar ranging from 18.6 percent for "running errands" to 22.5 percent for "other."

Table 8

CAMBRIDGE CUSTOMER SURVEY; APRIL/MAY 2011
SURVEY RESPONDENTS BY REASON FOR STOPPING

	Primary Trade Area		Inflow		Total	
Reason	Number	Percent	Number	Percent	Number	Percent
Close to Home	415	47.2 %	17	16.7 %	432	44.0 %
Close to Work	221	25.1	26	25.5	247	25.2
Driving By	101	11.5	22	21.6	123	12.5
Running Errands	193	21.9	19	18.6	212	21.6
Regular Customer	643	73.1	41	40.2	684	69.7
Other	123	14.0	23	22.5	146	14.9
Total Respondents	880	100.0 %	102	100.0 %	982	100.0 %

Source: McComb Group, Ltd.

Females were the most frequent survey respondent, 52.1 percent, which is typical of a survey of this type, as shown in Table 9. Twenty percent of respondents did not respond to this question. Some respondents indicated both genders, which appears to reflect shopper parties of two or more.

Table 9

CAMBRIDGE CUSTOMER SURVEY; APRIL/MAY 2011
SURVEY RESPONDENTS BY GENDER

	Primary Trade Area		Inflow		Total	
Gender	Number	Percent	Number	Percent	Number	Percent
Female	465	51.7 %	58	55.8 %	523	52.1 %
Male	235	26.1	31	29.8	266	26.5
Both	14	1.6	-	-	14	1.4
Subtotal	714	79.3 %	89	85.6 %	803	80.0 %
No Response	186	20.7	15	14.4	201	20.0
Total	900	100.0 %	104	100.0 %	1,004	100.0 %

Source: McComb Group, Ltd.

Survey responses by day, shown in Table 10, were highest on Tuesday, Wednesday, Thursday, and Friday for both the primary trade area residents and inflow customers. Primary trade area responses ranged from a high of 22.4 percent on Tuesday to a low of 1.1 percent on Sunday. Inflow responses ranged from a high of 24.0 percent on Thursday to 2.1 percent on Sunday.

Table 10

CAMBRIDGE CUSTOMER SURVEY; APRIL/MAY 2011
SURVEY RESPONDENTS BY DAY OF SURVEY

	Primary Trade Area		Inflow		Total	
Day	Number	Percent	Number	Percent	Number	Percent
Sunday	10	1.1 %	2	2.1 %	12	1.2 %
Monday	119	13.7	9	9.4	128	13.3
Tuesday	195	22.4	18	18.8	213	22.0
Wednesday	161	18.5	17	17.7	178	18.4
Thursday	166	19.1	23	24.0	189	19.6
Friday	141	16.2	21	21.9	162	16.8
Saturday	78	9.0	6	6.3	84	8.7
Subtotal	870	100.0 %	96	100.0 %	966	100.0 %
No Response	30		8		38	
Total	900		104		1,004	

Source: McComb Group, Ltd.

Summary

Customer survey results demonstrate that Cambridge retail stores and services draw from a wide area. Medical, dental, professional, and entertainment draw a higher proportion of inflow customers. Three-quarters of primary trade area respondents and 40 percent of the inflow customers are “regular customers” of the business indicating a high level of loyalty. These are at the high end of the responses rate for this question in over 20 years that this question has been used.

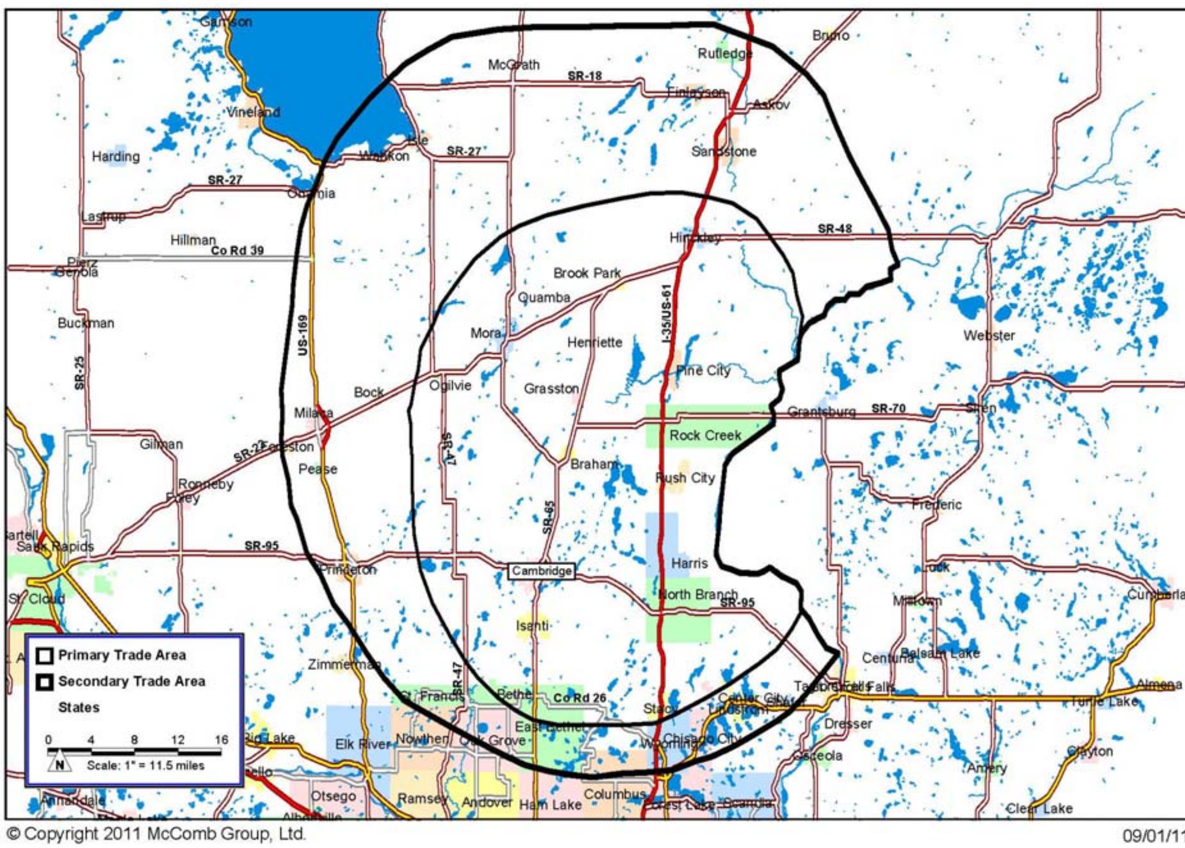
Chapter V

CAMBRIDGE TRADE AREAS

Cambridge has developed into a regional shopping destination in east-central Minnesota as a result of its rapid trade area population growth. Cambridge has two trade areas, shown on Map 4, a primary trade area representing Downtown and surrounding retail, and secondary trade area that represents the regional draw of the large format retailers located in that trade area. The Cambridge trade areas were delineated by McComb Group taking into consideration customer survey results, Cambridge Theater patron home zip codes, and service areas for the Allina Hospital and Clinic and Anoka-Ramsey Community College-Cambridge Campus. Other factors that were considered include location of competitive shopping areas, arterial road network, natural boundaries, and previous experience. The primary trade area represents the geographic area from which about 90 percent of the sales of Downtown businesses and other convenience retailers are derived. The secondary trade area covers a broader area and represents the extended draw of Cambridge destination retailers: Target, Walmart Supercenter, Menards, and Kohl's. The St. Croix River is a physical barrier that defines the trade area's eastern edge.

Map 4

CAMBRIDGE PRIMARY AND SECONDARY TRADE AREAS



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The primary trade area includes Cambridge, Mora, Pine City, North Branch, Rush City, Braham, Hinckley, Stacy, Isanti, Rock Creek, Harris, Ogilvie, Bethel, Quamba, Grasston, Brook Park, and

Henriette. This trade area extends south of Cambridge to County Road 22 in East Bethel, west to TH-47 in Ogilvie, north to TH-48 in Hinckley and east to the St. Croix River. The primary trade area covers approximately 1,416 square miles.

The secondary trade area extends south of Cambridge about 17 miles to County Road 18 in Ham Lake, west to TH-169 to include Foreston, north 52 miles to TH-18 in McGrath and east to the St. Croix River. This trade area covers approximately 2,941 square miles and includes over 20 cities and townships; the largest communities include: East Bethel, Oak Grove, Princeton, St. Francis, Lindstrom, Columbus, Chisago City, Milaca, Wyoming, Sandstone, Onamia, and Stacy.

Population and Households

Population and household growth trends in Cambridge's trade areas and the Minneapolis-St. Paul MSA are shown in Table 11. Since 1990, Cambridge's primary and secondary trade areas have been growing at a faster rate than the Minneapolis-St. Paul MSA. However, population and household growth is estimated to slow, reflecting a conservative view of new home construction.

Table 11

CAMBRIDGE PRIMARY AND SECONDARY TRADE AREAS
AND MINNEAPOLIS-ST. PAUL MSA
POPULATION AND HOUSEHOLD GROWTH TRENDS
1990 AND 2000 CENSUS; 2010 AND 2015 ESTIMATED

	Trade Areas			Minneapolis-
Year	Primary	Secondary	Combined	St. Paul MSA
Population				
1990	66,497	54,661	121,158	2,542,631
2000	84,914	70,139	155,053	2,968,806
2010E	100,114	83,899	184,013	3,302,532
2015E	101,984	85,844	187,828	3,465,615
Annual Growth Rate				
1990-00	2.47 %	2.52 %	2.50 %	1.56 %
2000-10	1.66	1.81	1.73	1.07
2010-15	0.37	0.46	0.41	0.97
Households				
1990	23,137	18,825	41,962	961,627
2000	30,687	25,159	55,846	1,136,615
2010E	37,614	30,676	68,290	1,265,491
2015E	38,425	31,074	69,499	1,294,127
Annual Growth Rate				
1990-00	2.86 %	2.94 %	2.90 %	1.69 %
2000-10	2.06	2.00	2.03	1.08
2010-15	0.43	0.26	0.35	0.45

Source: Scan/US and McComb Group, Ltd.

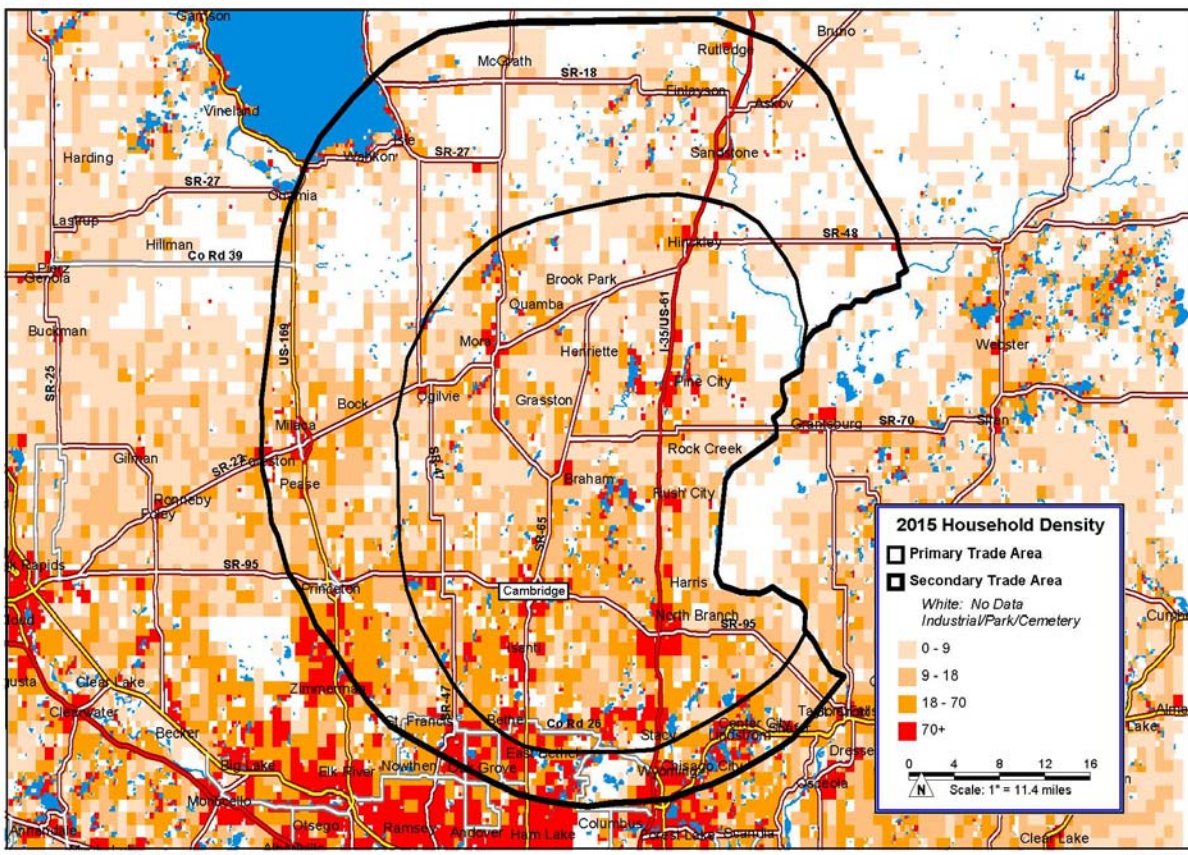
Cambridge's primary trade area population increased at an annual rate of 2.47 percent from 66,497 people in 1990 to 84,914 in 2000. Primary trade area population growth rate decreased between 2000 and 2010 increasing at a 1.66 percent annual rate bringing population to 100,114 by 2010. Population is estimated to increase at an annual rate of 0.37 percent to 101,984 by

2015. Household growth has been similar, increasing at a rate of 2.86 percent between 1990 and 2000 and an annual rate of 2.06 percent from 2000 to 2010. Households are estimated to increase from 37,614 in 2010 to 38,425 by 2015, an annual growth rate of 0.43 percent.

Cambridge's secondary trade area population and households are contained in Table 11. Secondary trade area population and households growth is very similar to the primary trade area. Between 1990 and 2000, secondary trade area population increased from 54,661 to 70,139, a growth rate of 2.52 percent. Over the next 10 years, population increased at an annual growth rate of 1.81 percent, increasing to 83,899 in 2010. By 2015, secondary trade area population is estimated to increase to 85,844. Secondary trade area households totaled 18,825 in 1990 and increased to 25,159 by 2000, an annual increase of 2.94 percent. In 2010, households were estimated at 30,676. Households are estimated to increase to 31,074 by 2015, an increase of 0.26 percent annually. Future household density for 2015 in the Cambridge trade areas is shown on Map 5.

Map 5

CAMBRIDGE PRIMARY AND SECONDARY TRADE AREAS
ESTIMATED 2015 HOUSEHOLD DENSITY



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Household Income

Average household income in Cambridge's primary and secondary trade areas and Minneapolis-St. Paul MSA are shown in Table 12. Average household income in 2010 in the primary trade area was $67,880 compared to $68,631 in the secondary trade area and $86,856 in the Minneapolis-St. Paul MSA. It is estimated that average household incomes for these three areas will continue to increase through 2015, increasing Cambridge's primary trade area average household income to $72,681 in 2015 and secondary trade area to $73,284.

Table 12

CAMBRIDGE PRIMARY AND SECONDARY TRADE AREAS
AND MINNEAPOLIS-ST. PAUL MSA
AVERAGE AND MEDIAN HOUSEHOLD INCOME: 1990 AND 2000 CENSUS; 2010 AND 2015 ESTIMATED

	Primary Trade Area	Secondary Trade Area	Minneapolis-St. Paul MSA
Average Household Income			
1990	$ 31,902	$ 33,026	$ 43,703
2000	56,553	57,829	67,713
2010E	67,880	68,631	86,856
2015E	72,681	73,284	93,497
Median Household Income			
1990	$ 27,963	$ 29,170	$ 37,631
2000	45,949	47,921	54,734
2010E	56,498	58,503	65,421
2015E	60,812	62,495	69,896

E: Estimated.
Source: McComb Group, Ltd.

The proportion of households in the primary and secondary trade areas and Minneapolis-St. Paul MSA with incomes above $75,000, $100,000, and $150,000 are shown in Table 13. In 2010, households with incomes above $75,000 were 33.5 percent in Cambridge's primary trade area and 35.4 percent in the secondary trade area. Households with incomes above $100,000 in 2010 were 16.4 percent in the primary trade area and 17.0 percent in the secondary trade area.

Table 13

CAMBRIDGE PRIMARY AND SECONDARY TRADE AREAS, AND MINNEAPOLIS-ST. PAUL MSA
HOUSEHOLD INCOME DISTRIBUTION: 1990 AND 2000 CENSUS; 2010 AND 2015 ESTIMATED

	Primary Trade Area		Secondary Trade Area		Minneapolis-St. Paul MSA	
	Number	Percent	Number	Percent	Number	Percent
Households above $75,000						
1990	658	2.9 %	685	3.7 %	107,842	11.2 %
2000	5,769	18.9	5,329	21.2	357,670	31.5
2010E	12,570	33.5	10,805	35.4	548,648	43.4
2015E	14,708	38.4	12,349	39.9	605,975	46.9
Households above $100,000						
1990	233	1.0 %	220	1.2 %	47,969	5.0 %
2000	2,261	7.4	2,148	8.5	192,041	16.9
2010E	6,151	16.4	5,189	17.0	350,110	27.7
2015E	7,431	19.4	6,071	19.6	398,807	30.9
Households above $150,000						
1990	50	0.2 %	37	0.2 %	17,264	1.8 %
2000	650	2.1	507	2.0	67,087	5.9
2010E	1,512	4.0	1,087	3.6	137,558	10.9
2015E	1,788	4.7	1,250	4.0	158,679	12.3

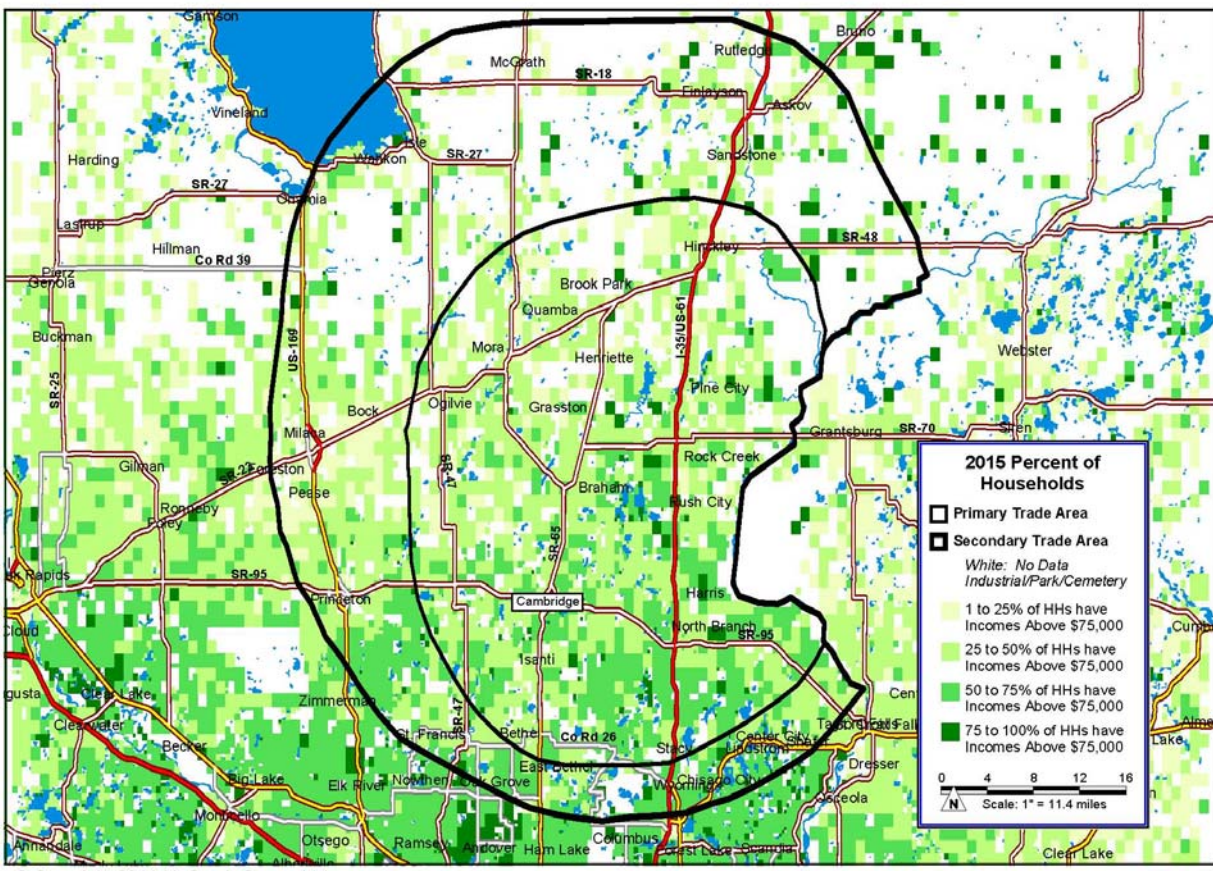
E: Estimated.
Source: McComb Group, Ltd.

Cambridge's secondary trade area household income distribution is very similar to the primary trade area, as shown in Table 13. In 2010, 10,805 households are estimated to have incomes above $75,000, which is expected to increase to 12,349 in 2015. Households with incomes above $100,000 are estimated at 5,189 in 2010 and are expected to increase to 6,071 in 2015. Households with incomes above $150,000 are estimated to total 1,250 in 2015.

Distribution of households with incomes above $75,000 in 2015, shown on Map 6, demonstrates that more affluent households are distributed throughout the trade area with higher concentrations in the vicinity of Cambridge, east of TH-65 and south of TH-95.

Map 6

CAMBRIDGE PRIMARY AND SECONDARY TRADE AREAS
ESTIMATED 2015 HOUSEHOLD INCOME ABOVE $75,000
PERCENT OF HOUSEHOLDS



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Demographic Characteristics

Demographic characteristics for Cambridge's trade areas and Minneapolis-St. Paul MSA are summarized in the demographic snapshots contained in Tables 14, 15, and 16. These snapshots contain census data for 1990 and 2000, as well as estimates for 2010 and 2015. These estimates were provided by Scan/US, Inc., a source of Census comparable demographic information. Significant characteristics of Cambridge's trade areas include the following:

Table14

McComb Group, Ltd.

DEMOGRAPHIC AND INCOME SNAPSHOT

Cambridge Primary Trade Area 10/11/2011

SNAPSHOT	1990 Census	2000 Census	2010 Estimated	2015 Projected
Population	66,497	84,914	100,114	101,984
Households	23,137	30,687	37,614	38,425
Families	17,686	22,868	26,761	26,787
Per Capita Income	$ 11,169	$ 20,601	$ 25,645	$ 27,541
Median Household Income	$ 27,963	$ 45,949	$ 56,498	$ 60,812
Average Household Income	$ 31,902	$ 56,553	$ 67,880	$ 72,681
Average Household Size	2.82	2.73	2.62	2.61
Median Age	32	35	38	39

	Annual Percent Change		
TRENDS	1990 - 2000	2000 - 2010	2010 - 2015
Population	2.48 %	1.66 %	0.37 %
Households	2.86	2.06	0.43
Families	2.60	1.58	0.02
Median Household Income	5.09	2.09	1.48
Average Household Income	5.89	1.84	1.38

	1990 Census		2000 Census		2010 Estimated		2015 Projected	
HOUSEHOLDS BY INCOME	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than $15,000	5,577	24.7 %	3,601	11.8 %	2,885	7.7 %	2,588	6.8 %
$15,000 - $24,999	4,266	18.9	3,688	12.1	3,255	8.7	2,975	7.8
$25,000 - $34,999	4,337	19.2	3,773	12.3	3,856	10.3	3,655	9.5
$35,000 - $49,999	4,781	21.2	5,853	19.1	6,047	16.1	5,779	15.1
$50,000 - $74,999	2,987	13.2	7,918	25.9	8,882	23.7	8,608	22.5
$75,000 - $99,999	425	1.9	3,508	11.5	6,419	17.1	7,277	19.0
$100,000 - $149,999	183	0.8	1,611	5.3	4,639	12.4	5,643	14.7
$150,000 +	50	0.2	650	2.1	1,512	4.0	1,788	4.7

POPULATION BY AGE	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<19	22,653	34.0 %	27,873	32.9 %	27,837	27.8 %	27,967	27.4 %
20-24	3,333	5.0	3,859	4.5	6,182	6.2	6,874	6.7
25-34	10,853	16.3	11,125	13.1	12,545	12.5	12,425	12.2
35-44	9,874	14.8	15,521	18.3	13,825	13.8	12,334	12.1
45-54	6,877	10.3	11,243	13.3	15,817	15.8	14,589	14.3
55-64	4,986	7.5	6,987	8.2	11,770	11.8	13,605	13.3
65-74	4,265	6.4	4,379	5.2	7,198	7.2	8,463	8.3
75-84	3,709	5.6	2,765	3.3	3,428	3.4	4,148	4.1
85+	NA	NA	1,066	1.3	1,442	1.4	1,509	1.5

RACE AND ETHNICITY	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	65,559	98.6 %	82,679	97.4 %	95,113	95.0 %	96,790	94.9 %
Black	134	0.2	283	0.3	1,005	1.0	1,139	1.1
Native American	428	0.6	655	0.8	932	0.9	1,030	1.0
Asian/Pacific Islander	266	0.4	358	0.4	859	0.9	871	0.9
Other Races	110	0.2	940	1.1	2,206	2.2	2,154	2.1
Hispanic (Any Race)	339	0.5	827	1.0	1,752	1.8	1,902	1.9

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

Table 15

McComb Group, Ltd.

DEMOGRAPHIC AND INCOME SNAPSHOT

Cambridge Secondary Trade Area 10/11/2011

SNAPSHOT	1990 Census	2000 Census	2010 Estimated	2015 Projected
Population	54,661	70,139	83,899	85,844
Households	18,825	25,159	30,676	31,074
Families	14,513	18,879	21,748	21,502
Per Capita Income	$ 11,682	$ 21,324	$ 25,555	$ 27,138
Median Household Income	$ 29,170	$ 47,921	$ 58,503	$ 62,495
Average Household Income	$ 33,026	$ 57,829	$ 68,631	$ 73,284
Average Household Size	2.81	2.72	2.65	2.65
Median Age	33	36	39	39

	Annual Percent Change		
TRENDS	1990 - 2000	2000 - 2010	2010 - 2015
Population	2.52 %	1.81 %	0.46 %
Households	2.94	2.00	0.26
Families	2.67	1.42	-0.23
Median Household Income	5.09	2.02	1.33
Average Household Income	5.76	1.73	1.32

	1990 Census		2000 Census		2010 Estimated		2015 Projected	
HOUSEHOLDS BY INCOME	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than $15,000	4,317	23.4 %	3,009	12.0 %	2,555	8.4 %	2,357	7.6 %
$15,000 - $24,999	3,375	18.3	2,912	11.6	2,571	8.4	2,279	7.4
$25,000 - $34,999	3,501	18.9	2,817	11.2	2,767	9.1	2,572	8.3
$35,000 - $49,999	3,853	20.8	4,568	18.2	4,649	15.2	4,430	14.3
$50,000 - $74,999	2,749	14.9	6,420	25.6	7,206	23.6	6,974	22.5
$75,000 - $99,999	465	2.5	3,181	12.7	5,616	18.4	6,278	20.3
$100,000 - $149,999	183	1.0	1,641	6.5	4,102	13.4	4,821	15.6
$150,000 +	37	0.2	507	2.0	1,087	3.6	1,250	4.0
POPULATION BY AGE	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<19	17,993	33.0 %	22,571	32.2 %	23,224	27.7 %	23,118	27.0 %
20-24	2,685	4.9	3,033	4.3	4,669	5.6	5,338	6.2
25-34	9,080	16.7	9,131	13.0	10,299	12.3	10,324	12.0
35-44	8,561	15.7	13,304	19.0	12,032	14.4	10,983	12.8
45-54	5,705	10.5	9,401	13.4	13,662	16.3	12,823	15.0
55-64	3,895	7.1	5,863	8.4	9,955	11.9	11,665	13.6
65-74	3,453	6.3	3,479	5.0	5,659	6.8	6,638	7.7
75-84	3,161	5.8	2,272	3.2	2,917	3.5	3,408	4.0
85+	NA	NA	963	1.4	1,396	1.7	1,454	1.7
RACE AND ETHNICITY	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	53,565	98.0 %	67,938	96.9 %	78,926	94.1 %	80,290	93.5 %
Black	399	0.7	420	0.6	1,212	1.4	1,599	1.9
Native American	414	0.8	679	1.0	1,013	1.2	1,152	1.3
Asian/Pacific Islander	163	0.3	296	0.4	883	1.1	984	1.1
Other Races	120	0.2	807	1.2	1,866	2.2	1,818	2.1
Hispanic (Any Race)	491	0.9	871	1.2	1,541	1.8	1,789	2.1

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

Table 16

McComb Group, Ltd.

DEMOGRAPHIC AND INCOME SNAPSHOT

Minneapolis-St. Paul MSA 10/11/2011

SNAPSHOT	1990 Census	2000 Census	2010 Estimated	2015 Projected
Population	2,542,631	2,968,806	3,302,532	3,465,615
Households	961,627	1,136,615	1,265,491	1,294,127
Families	649,907	744,303	813,402	822,812
Per Capita Income	$ 16,667	$ 26,641	$ 33,625	$ 35,273
Median Household Income	$ 37,631	$ 54,734	$ 65,421	$ 69,896
Average Household Income	$ 43,703	$ 67,713	$ 86,856	$ 93,497
Average Household Size	2.59	2.56	2.56	2.62
Median Age	32	34	36	37

	Annual Percent Change		
TRENDS	1990 - 2000	2000 - 2010	2010 - 2015
Population	1.56 %	1.07 %	0.97 %
Households	1.69	1.08	0.45
Families	1.37	0.89	0.23
Median Household Income	3.82	1.80	1.33
Average Household Income	4.48	2.52	1.48

	1990 Census		2000 Census		2010 Estimated		2015 Projected	
HOUSEHOLDS BY INCOME	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than $15,000	158,760	16.5 %	104,519	9.2 %	108,610	8.6 %	108,837	8.4 %
$15,000 - $24,999	145,590	15.2	104,638	9.2	91,791	7.3	87,497	6.8
$25,000 - $34,999	151,645	15.8	125,123	11.0	102,729	8.1	94,583	7.3
$35,000 - $49,999	206,924	21.6	179,335	15.8	162,712	12.9	154,857	12.0
$50,000 - $74,999	188,993	19.7	265,330	23.3	251,001	19.8	242,378	18.7
$75,000 - $99,999	59,873	6.2	165,629	14.6	198,538	15.7	207,168	16.0
$100,000 - $149,999	30,705	3.2	124,954	11.0	212,552	16.8	240,128	18.6
$150,000 +	17,264	1.8	67,087	5.9	137,558	10.9	158,679	12.3
POPULATION BY AGE	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<19	738,155	29.0 %	873,680	29.4 %	903,568	27.4 %	956,584	27.6 %
20-24	193,055	7.6	193,790	6.5	213,967	6.5	217,012	6.3
25-34	511,549	20.1	457,105	15.4	477,084	14.4	449,885	13.0
35-44	415,664	16.3	528,024	17.8	460,322	13.9	468,964	13.5
45-54	253,035	10.0	405,724	13.7	500,413	15.2	479,512	13.8
55-64	180,490	7.1	225,540	7.6	380,864	11.5	449,369	13.0
65-74	139,086	5.5	145,808	4.9	202,665	6.1	268,995	7.8
75-84	111,458	4.4	100,485	3.4	108,822	3.3	120,887	3.5
85+	NA	NA	38,650	1.3	54,827	1.7	54,407	1.6
RACE AND ETHNICITY	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	2,347,622	92.3 %	2,556,851	86.1 %	2,757,948	83.5 %	2,868,321	82.8 %
Black	90,071	3.5	157,963	5.3	221,450	6.7	244,745	7.1
Native American	24,267	1.0	21,590	0.7	27,918	0.8	29,791	0.9
Asian/Pacific Islander	65,618	2.6	124,025	4.2	174,656	5.3	198,521	5.7
Other Races	15,053	0.6	108,377	3.7	120,560	3.7	124,237	3.6
Hispanic (Any Race)	37,942	1.5	99,121	3.3	166,016	5.0	195,788	5.6

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

- In 2010, 27.8 percent of the population in the Cambridge primary trade area was under the age of 19, while a similar proportion (27.7 percent) of the secondary trade area population was under the age of 19. By 2015, the primary trade area is expected to have 27.4 percent of the population under the age of 19 and the secondary trade area is expected to have 27.0 percent under the age of 19.

- In 2010, 12.0 percent of the population in the Cambridge primary trade area was over the age of 65, which is expected to increase to 13.9 percent by 2015. Cambridge's secondary trade area had 12.0 percent of the population over the age of 65 in 2010, with expectations of an increase to 13.4 percent by 2015.

- By 2015, 38.4 percent of the primary trade area and 39.9 percent of the secondary trade area households are estimated to have incomes above $75,000.

- Primary trade area median age was 38 in 2010, while the secondary trade area median age was 39. It is estimated that the median age for both trade areas will be 39 in 2015.

Additional demographic characteristics for Cambridge's trade areas and Minneapolis-St. Paul MSA are contained in Appendix A.

Employment

Wage and salary employment trends for Cambridge and Isanti County, shown in Table 17, contain some positive trends. This table covers the period from 2002 through 2009, which is the latest detail employment information that is available. This data is compiled by the U.S. Census and is based on the location where payroll checks are issued.

In Cambridge, total employment was 5,491 in 2002, declined to 4,741 in 2003, and then rose to a peak of 5,385 in 2005. In the following three years, employment declined modestly to 5,131 in 2008, but recovered to 5,460 in 2009 almost equal to employment in 2002 and higher than 2007 when the economy peaked. Thirteen employment categories have higher employment in 2009 than in 2002. Nine employment categories reported higher employment in 2009 than in 2007. Categories with the largest employment increases between 2002 and 2009 include: educational services (221), wholesale trade (109), and transportation and warehousing (91).

Isanti County wage and salary employment increased from 8,813 in 2002 to 10,294 in 2009. Categories with the largest employment increases between 2002 and 2009 include: retail trade (441), wholesale trade (301), public administration (274), and accommodation and food services (221). In addition, 13 categories reported increased employment between 2007 and 2009.

Table 17

WAGE AND SALARY EMPLOYMENT
CAMBRIDGE AND ISANTI COUNTY; 2002 TO 2009

NAICS Industry Sector	2002	2003	2004	2005	2006	2007	2008	2009
Cambridge								
Agriculture, Forestry, Fishing and Hunting	-	-	-	-	-	-	-	44
Mining, Quarrying, and Oil and Gas Extraction	-	-	-	-	-	-	-	4
Utilities	4	-	-	-	-	-	-	24
Construction	86	73	81	65	71	48	63	142
Manufacturing	898	604	608	562	596	592	635	402
Wholesale Trade	77	102	106	107	104	132	156	186
Retail Trade	642	508	759	744	550	575	531	563
Transportation and Warehousing	82	82	84	90	82	8	2	173
Information	149	159	184	199	266	294	298	95
Finance and Insurance	175	182	196	216	220	221	237	188
Real Estate and Rental and Leasing	42	46	30	35	45	39	35	38
Professional, Scientific, and Technical Services	123	118	110	115	101	95	88	144
Management of Companies and Enterprises	3	-	-	-	2	-	1	49
Administration & Support, Waste Mgmt & Remediation	114	109	100	103	160	169	97	149
Educational Services	525	501	535	570	555	696	713	746
Health Care and Social Assistance	1,632	1,313	1,264	1,642	1,650	1,488	1,417	1,434
Arts, Entertainment, and Recreation	33	29	25	10	13	2	12	81
Accommodation and Food Services	362	341	329	323	341	288	282	409
Other Services (excluding Public Administration)	164	193	166	184	155	120	143	186
Public Administration	380	381	386	420	385	419	421	403
Total All Jobs	5,491	4,741	4,963	5,385	5,296	5,186	5,131	5,460
Isanti County								
Agriculture, Forestry, Fishing and Hunting	78	77	84	75	82	94	82	128
Mining, Quarrying, and Oil and Gas Extraction	-	-	-	-	-	-	-	6
Utilities	104	110	108	105	107	115	114	50
Construction	521	470	540	519	482	387	381	360
Manufacturing	1,356	1,117	1,163	1,113	1,155	1,137	1,131	918
Wholesale Trade	128	179	176	203	168	193	217	429
Retail Trade	988	880	1,025	1,245	1,175	1,205	1,155	1,429
Transportation and Warehousing	169	178	154	160	154	161	170	299
Information	152	161	185	202	270	302	312	166
Finance and Insurance	244	273	282	296	316	314	324	301
Real Estate and Rental and Leasing	56	73	54	64	64	55	49	74
Professional, Scientific, and Technical Services	206	198	188	200	165	161	154	213
Management of Companies and Enterprises	5	-	-	-	2	-	1	105
Administration & Support, Waste Mgmt & Remediation	164	154	144	164	224	248	211	291
Educational Services	1,166	1,155	1,191	1,267	1,252	1,302	1,308	1,262
Health Care and Social Assistance	2,073	1,879	1,892	2,462	2,544	2,422	2,425	2,256
Arts, Entertainment, and Recreation	73	59	63	85	68	63	79	160
Accommodation and Food Services	557	626	645	642	614	565	615	778
Other Services (excluding Public Administration)	315	342	317	342	293	280	318	337
Public Administration	458	456	516	486	485	519	551	732
Total All Jobs	8,813	8,387	8,727	9,630	9,620	9,523	9,597	10,294

Source: U.S. Census Bureau, Center for Economic Studies

Purchasing Power

Retail sales potential for the Cambridge trade areas is based on estimated purchasing power and market share that can be achieved from the trade areas. Retail sales from residents living outside the trade areas are inflow sales. Purchasing power estimates of trade area residents are derived from retail sales by store type as reported by the Census of Retail Trade in 2002 and 2007. Retail sales for 2007 through 2010 were estimated using information available from the U.S. Department of Commerce. Future purchasing power estimates are expressed in constant 2010 dollars and reflect projected household growth.

Purchasing power is based on the number of trade area households adjusted to reflect income characteristics. Purchasing power, for the purpose of this analysis, includes retail categories that are characteristic of tenants that could be located in Cambridge. The estimated retail purchasing power summary table for the Cambridge trade areas for 2010 and 2015 is shown in Table 18. The purchasing power estimates used in this analysis are condensed from the full purchasing power tables, which are contained in a separate Appendix. These estimates represent the potential dollar sales for a broad range of retail stores generated by residents of each trade area.

Table 18

CAMBRIDGE PRIMARY AND SECONDARY TRADE AREAS
RETAIL PURCHASING POWER; 2010 AND 2015
(In Thousands of Constant 2010 Dollars)

Merchandise Category	2010	2015
Primary Trade Area		
Shopping Goods	$ 356,155	$ 382,389
Food Service & Drinking	134,044	143,918
Convenience Goods	202,765	217,698
Gasoline Service Stations & Convenience	147,391	158,246
Other Stores	353,435	379,466
Total	$ 1,193,790	$ 1,281,717
Secondary Trade Area		
Shopping Goods	$ 648,095	$ 693,210
Food Service & Drinking	243,919	260,899
Convenience Goods	368,969	394,652
Gasoline Service Stations & Convenience	268,206	286,875
Other Stores	643,141	687,908
Total	$ 2,172,330	$ 2,323,544

Source: McComb Group, Ltd.

Total purchasing power for Cambridge's primary trade area was estimated at $1.2 billion in 2010 and is expected to increase to about $1.3 billion by 2015, an annual growth rate of 1.43 percent in constant 2010 dollars. Purchasing power for shopping goods in this trade area is expected to increase from $356.2 million in 2010 to $382.4 million in 2015. Convenience goods purchasing power for this trade area was estimated at $202.8 million in 2010, estimated to increase to $217.7 million by 2015.

Cambridge's secondary trade area purchasing power is increasing at a 1.35 percent annual growth rate in constant 2010 dollars, increasing from a total purchasing power of $2.2 billion in 2010 to $2.3 billion by 2015. Shopping goods purchasing power, estimated at $648.1 million in 2010, is anticipated to increase to $693.2 million in 2015. Estimates indicate that convenience goods purchasing power is $369.0 million in 2010 and is likely to increase to $394.7 million by 2015.

Chapter VI

RETAIL SALES POTENTIAL

Future sales potential is based on market share that can be achieved taking into consideration trade area households, future growth, and potential competitive developments. Market share estimates for the primary and secondary trade areas are based on analysis conducted as part of this engagement, which included 2002 and 2007 retail and service sales in Cambridge, and McComb Group's knowledge of the Minneapolis-St. Paul MSA retail market.

Retail Sales

Limited retail sales information is available for Cambridge from the U.S. Census of Retail Trade for 2002 and 2007, the latest information available. The Retail Census reported data for 61 retailers in 2002 and 64 retailers in 2007, as shown in Table 19.

Table 19

CAMBRIDGE RETAIL AND SERVICES SALES: 2002 AND 2007
(Thousands of Dollars)

	2002		2007		Growth
Store Type	Number	Dollars	Number	Dollars	Rate
RETAIL TRADE	61	$285,513	64	$334,836	3.24 %
Convenience Retail					
Food & Beverage Stores	2	D	4	$ 28,080	
Liquor Stores		2,816		3,929	6.88 %
Food Service					
Full-Service Food Service	12	$ 8,544	11	$ 9,168	1.42 %
Limited Service Food Service	11	6,218	15	10,642	11.35 %
Convenience/Gasoline	12	$ 23,548	10	$ 49,015	15.79 %
Shopping Goods					
General Merchandise Stores	4	D	5	$124,625	
Clothing and Clothing Accessories Stores	5	2,123	2	1,408	(7.88) %
Electronics				753	
Sporting Goods, Hobby, Book, and Music Stores	5	2,634	5	D	
Health & Personal Stores	5	6,538	6	17,567	21.86 %
Miscellaneous Store Retailers	4	D	4	D	
Home Improvement					
Building Material/Garden Equipment/Supplies Dealers	8	$ 53,904	8	$ 48,653	(2.03) %
Motor Vehicle & Parts					
Motor Vehicle & Parts Dealers	11	$ 78,640	12	$ 85,092	1.59 %
Used Car Dealers	3	6,697			
Other Motor Vehicle Dealers	1	D	2	D	
SERVICES					
Personal Services					
Personal Care Services	8	D	6	D	
Hair, Nail, and Skin Care Services	6	D	5	D	
Personal and Laundry Services	14	D	11	D	
Repair Services					
Repair and Maintenance	10	$ 3,517	13	$ 4,980	7.20 %
Automotive Repair and Maintenance	7	D	9	4,503	
HEALTH CARE					
Health Care and Social Assistance	35	$104,584	52	$170,458	10.26 %
Ambulatory Health Care Services	15	D	22	58,965	

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

Retail sales increased from $285.5 million in 2002 to $334.8 million in 2007, an annual growth rate of 3.2 percent. Sales from liquor stores increased from $2.8 million in 2002 to $3.9 million in 2007, an annual growth rate of 6.9 percent. Full service restaurants decreased from 12 in 2002 to 11 in 2007, with annual retail sales increases of 1.4 percent. Limited food service establishments increased by four establishments between 2002 and 2007, with an 11.4 percent annual increase in retail sales. The number of gasoline/convenience stores decreased from 12 to 10; however sales increased significantly from $23.5 million in 2002 to $49.0 million in 2007, an annual growth rate of 15.8 percent.

Retail sales were reported in both years for only two shopping goods categories: clothing and accessories and health and personal stores. Retail sales for clothing and accessories decreased 7.9 percent annually, while retail sales for health and personal stores increased by 21.9 percent annually. Building materials sales decreased from $53.9 million to $48.7 million reflecting a slower pace of home construction. Motor vehicle and parts dealer sales increased at an annual rate of 1.6 percent. Health care and social assistance increased from $104.6 million in 2002 to $170.5 million in 2007, a growth rate of 10.3 percent.

In general, Cambridge's retail sales have increased at a healthy rate reflecting its growing importance as a retail center.

Market Share

Retail and service sales for 2007 are contained in Table 20 for the City of Cambridge. Purchasing power for 2007 was calculated by McComb Group. Retail sales derived from the trade area were estimated for each retail category to determine trade area sales and market share as a percent of purchasing power. Using food stores as an example, 2007 purchasing power was about $103.8 million. Retail sales were $24.2 million with 90 percent of those sales assumed to be from the primary trade area. This results in trade area sales of $21.7 million, which is 20.9 percent of estimated primary trade area purchasing power.

Table 20

CAMBRIDGE PURCHASING POWER, RETAIL SALES AND MARKET SHARE; 2007

(Thousands of Dollars)

Store Type	Purchasing Power	Retail Sales	Trade Area Sales Percent	Trade Area Sales Dollars	Market Share
RETAIL STORES					
General Merchandise Stores	$ 153,728	$ 124,625	65 %	$ 81,006	52.69 %
Clothing and Clothing Accessories Stores	45,608	1,408	90	1,267	2.78
Electronics	21,625	753	90	678	3.13
Health & Personal Stores	46,140	17,567	85	14,932	32.36
Food Stores	103,841	24,151	90	21,736	20.93
Liquor Stores	18,199	3,929	90	3,536	19.43
Full-Service Restaurants	50,636	9,168	80	7,334	14.48
Limited Service Restaurants	38,539	10,642	80	8,514	22.09
Gasoline Stations	121,184	49,015	70	34,311	28.31
Building Material/Garden Equipment/Supplies Dealers	104,462	48,653	65	31,624	30.27
Motor Vehicle & Parts Dealers	217,539	85,092	65	55,310	25.43
SERVICES					
Repair and Maintenance	$ 29,065	$ 4,980	90 %	$ 4,482	15.42 %
Automotive Repair and Maintenance	13,739	4,503	90	4,053	29.50
Ambulatory Health Care Services	203,551	58,965	85	50,120	24.62

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

Cambridge, with both a Walmart Supercenter and Target store, has a market share of 52.7 percent with inflow sales of $43.6 million or 35 percent.

Market share in the food service category ranges from 14.5 percent for full service restaurants and 22.1 percent for limited service restaurants. In the shopping goods category, market share for clothing and accessories is very low at 2.8 percent. Motor vehicle and parts, and building materials have relatively high market shares of 25.4 and 30.3 percent, respectively. Service market share for individual categories ranges from 15.4 percent for repair and maintenance to 29.5 percent for automotive repair. Cambridge is a regional medical center, which explains the relatively high market share of 24.6 percent for health services and the fact that 15 percent of the health care expenditure is estimated to be from outside the primary trade area. These market share calculations were used to estimate future market share for Cambridge and determine the amount of additional retail space that can be supported in Cambridge. In six of the 14 categories, Cambridge market share is above 25 percent.

Retail and service sales potential for Cambridge is based on market share that can be achieved taking into consideration past market share trends, trade area households, future growth, and potential competitive developments. Market share estimates are based on analysis conducted as part of this engagement, McComb Group's knowledge of the Minneapolis-St. Paul MSA retail market, and analysis contained in Table 20. Sales potential was estimated for target years 2015, 2020, 2025, and 2030 to identify growth in retail and service sales as trade area households and purchasing power increase.

Resident purchasing power is derived from Table 18 in Chapter V. Market share was estimated for each retail and service category taking into consideration past market share performance, trade area size, competitive store locations, and industry experience. Trade area market share by store type is shown in Table 21. In the convenience goods category for the primary trade area, drug and proprietary stores market share is estimated at 35 percent with 90 percent of the sales being derived from the primary trade area. By comparison, in the secondary trade area, drug and proprietary stores market share is estimated at 20 percent with 95 percent derived from with the trade area, reflecting competition from drug stores in other communities. Full service food service market share for the primary trade area is estimated at 25 percent with 75 percent of the sales derived from the primary trade area, with the secondary trade area capturing 20 percent of its area, and counting for 85 percent of that category's sales. In the shopping goods category, primary trade area market share range from 10 percent to 35 percent, while for the secondary trade area market share ranges from 10 percent for apparel and accessories stores to 50 percent for electronics and appliances stores. In the primary trade area shopping goods category, stores are estimated to receive 75 percent of their sales from the primary trade area with 25 percent represented by inflow sales; while in the secondary trade area, shopping goods would derive 85 percent from the secondary trade area and 15 percent as inflow sales. Market share in the primary trade area services category is estimated at 30 percent with 90 percent of the sales being derived from the trade area. In the secondary trade area, services are estimated to capture a market share of 20 percent, representing 95 percent of their sales. Health care market share is estimated at 25 percent with 85 percent of the sales being derived from the primary trade area, and for the secondary trade area 15 percent market share with 90 percent derived from the area.

Table 21

CAMBRIDGE
MARKET SHARE AND TRADE AREA SALES

Store Type	Primary Trade Area Market Share	Primary Trade Area Sales	Secondary Trade Area Market Share	Secondary Trade Area Sales
Convenience Goods				
Supermarkets	10 %	85 %	20 %	85 %
Other Food Stores	25	85	15	95
Drug & Proprietary Stores	35	90	20	95
Liquor	20	90	12	95
Hardware Stores	20	90	12	95
Other Convenience Stores	35	90	12	95
Food Service				
Full Service Restsaurants	25 %	75 %	20 %	85 %
Limited Service Restaurants	25	75	20	85
Gasoline/Convenience Stores	30 %	70 %	20 %	85 %
Shopping Goods				
General Merchandise				
Discount Stores	N/A	N/A	45 %	85 %
Superstores	N/A	N/A	45	85
Department Stores	10 %	75 %	35	85
Variety Stores	35	75	20	85
Misc. General Merchandise	35	75	20	85
Apparel & Accessories	15	75	10	85
Furniture & Home Furnishings	20	75	15	85
Electronics & Appliances Stores	20	75	50	85
Other Shopping Goods	20	75	15	85
Other Retail Stores				
Building Materials	35 %	75 %	50 %	85 %
Auto Parts & Accessories	20	85	20	85
Services	30 %	90 %	20 %	95 %
Health Care	25 %	85 %	15 %	90 %

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

Downtown Sales Potential

Estimated retail and service space demand is a two-step process. Sales potential for each retail or service category is estimated first to determine if retail sales are sufficient to support a store. Next, store size is determined based on sales productivity and typical store size for each category. This methodology is illustrated for 2015 in Tables 22 and 23. These tables use drug stores as an example to illustrate how supportable square footage of retail stores and services is determined.

Using drug stores as an example, resident purchasing power in 2015 is estimated at $54.2 million, in constant 2011 dollars, as shown in Table 22. Market share of 35 percent results in $19.0 million in trade area sales. Adding inflow sales of $2.1 million, results in total estimated sales of about $21.1 million. Estimated sales potential is about $1.8 million for hardware stores and $4.7 million for liquor stores. The same approach is used for other retail and service categories. Sales potential for other retail stores and services is contained in Appendix C.

Table 22

CAMBRIDGE PRIMARY TRADE AREA
RETAIL PURCHASING POWER, MARKET SHARE AND SALES POTENTIAL, 2015
BY MERCHANDISE CATEGORY
(In Thousands of Dollars)

Merchandise Category	Resident Purchasing Power	Estimated Market Share	Trade Area Sales	Trade Area Percent	Other Shoppers	Estimated Total Sales
Drug & Proprietary Stores	$ 54,173	35.0 %	$ 18,961	90 %	$ 2,107	$ 21,068
Hardware	8,296	20.0	1,659	90	184	1,843
Liquor	21,368	20.0	4,274	90	475	4,749
Florist	3,142	20.0	628	90	70	698

Source: McComb Group, Ltd.

Supportable GLA for drug stores is based on sales potential of $21.1 million divided by $460 per square foot, resulting in supportable square footage of about 45,800 square feet, as shown in Table 23. Supportable GLA is determined for other stores in the same manner.

Table 23

CAMBRIDGE PRIMARY TRADE AREA
RETAIL SALES POTENTIAL AND SUPPORTABLE SPACE, 2015
BY MERCHANDISE CATEGORY

Category	Estimated Sales Potential	Sales Per Sq. Ft.	Supportable Square Feet	Store Size Low	Store Size Median	Store Size High
Drug & Proprietary Stores	$ 21,068,000	$ 460	45,800	8,280	11,700	23,714
Hardware	1,843,000	185	9,962	5,638	13,831	27,743
Liquor	4,749,000	375	12,664	1,305	2,856	7,210
Florist	698,000	190	3,674	766	1,600	5,396

Source: McComb Group, Ltd.

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

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

Retail GLA supported by estimated sales potential for each retail store category is based on estimated sales per square foot (in 2011 dollars) by store type. Sales per square foot estimates are derived from median store sales per square foot for each tenant type contained in *Dollars & Cents of Shopping Centers*, and have been increased to reflect sales per square foot in 2010. Supportable GLA is calculated by dividing sales potential by sales per square foot. This analysis was used to provide an estimate of the supportable square footage in each retail store category.

East TH-95 Sales Potential

Sales potential and supportable GLA in the East TH-95 retail area is derived from the larger trade area created by its large format retailers: Cub Foods, Target, Kohl's, Walmart Supercenter, and Menards. Evolution of the supercenters and warehouse club store formats and their penetration into the grocery market results in sales transfer from traditional supermarkets and discount stores. As a result, supercenters such as Walmart are capturing sales from the supermarket and discount store categories.

Retail and service sales potential and supportable GLA was estimated in the same manner as previously described above. Estimated supportable square footage for each business type is contained in Appendix C.

Kohl's and Lowes anchored Cambridge's most recent shopping center development. Sales potential and supportable GLA for the East TH-95 retail area shed some light on the recent Lowes closing. Resident purchasing power for home centers, a category including Lowes and Menards, was $58.4 million in 2015. Assuming these stores could achieve a 50 percent market share and have inflow sales of 15 percent, retail sales for both stores are estimated at about $34.3 million. Average 2009 retail sales per store for Lowes were $27.9 million and $31.3 million for Menards. The sales levels of each store are not known, but it appears that the market was not large enough to support both stores. Menards was the established home center in Cambridge and Lowe's would have to have transfer of a significant share of Menards sales to be successful. It appears that Lowes misjudged its market potential in Cambridge.

Table 24

CAMBRIDGE EAST TH-95 TRADE AREA
RETAIL PURCHASING POWER, MARKET SHARE AND SALES POTENTIAL, 2015
BY MERCHANDISE CATEGORY
(In Thousands of Dollars)

Merchandise Category	Resident Purchasing Power	Estimated Market Share	Trade Area Sales	Trade Area Percent	Other Shoppers	Estimated Total Sales
Department Stores	$ 38,346	35.0 %	$ 13,421	85 %	$ 2,368	$ 15,789
Home Centers	58,370	50.0	29,185	85	5,150	34,335

Source: McComb Group, Ltd.

Kohl's, according to the same study, has average store sales of $16.2 million and most of its stores are larger than the 65,000 square foot Cambridge store. A 35 percent market share of department store sales with 15 percent inflow sales results in estimated 2015 sales potential of $15.8 million.

Chapter VII

RETAIL DEVELOPMENT POTENTIAL

Cambridge lies in the northern fringe of the Minneapolis-St. Paul MSA and is developing as the major regional shopping area in east-central Minnesota. Factors that support retail and service potential in Cambridge include:

- Cambridge and Isanti County employment exceed pre-recession employment.
- Cambridge employment is 5.3 percent higher than when the recession began in 2007.
- Isanti County employment is 16.8 percent higher than when the recession began.
- Cambridge is becoming a major retail destination since Cub Foods, Kohl's, Target, Walmart Supercenter, and Menards opened in the East TH-95 retail area.
- Cambridge's trade areas combined population is expected to increase from 184,013 in 2010 to 187,828 in 2015.
- Combined trade areas households are expected to increase from 68,290 to 69,499 in 2015.
- Combined trade areas average household income is estimated to increase from $68,263 in 2010 to $72,996 in 2015.
- In 2015, over 13,500 households are expected to have incomes above $100,000 and over 3,000 households are estimated to have incomes above $150,000.
- Cambridge's position as a regional medical center that draws patients from throughout the primary and secondary trade areas.

Cambridge has the potential to support other retail stores and services based on its growing trade area population.

Downtown Development Potential

Development potential for retail stores, food service, and services is closely related to trade area household growth. Primary trade area households are expected to increase to 38,425 by 2015 and continue growing to 47,098 households by 2025, as shown in Table 25. Household growth projections are based on residential market demand development potential. If residential development exceeds or is below this estimate, development potential will be higher or lower than projected.

Categories of retail stores and services and square footages that are supportable in Downtown are based on trade area sales potential. These estimates are summarized in Table 25 for each target year (2015, 2020, 2025, and 2030). Sales potential analysis indicates that supportable square footage of retail stores and services will increase from about 793,000 square feet in 2015 to about 1.3 million square feet in 2030. Estimated supportable square footage for each business type is contained in Table 25A at the end of this chapter.

Table 25

CAMBRIDGE PRIMARY TRADE AREA SUPPORTABLE SPACE, 2015 TO 2030

Merchandise Category	2015	2020	2025	2030
HOUSEHOLDS	38,425	42,541	47,098	52,143
Shopping Goods	214,857	250,018	290,896	338,457
Convenience Goods	110,360	113,190	149,424	173,862
Other Retail Stores	92,019	107,062	124,572	144,961
Health Care Services	140,084	167,068	199,261	237,654
Services	235,386	280,908	335,373	399,542
Total	792,706	918,246	1,099,526	1,294,476

Source: McComb Group, Ltd.

Development potential identified in Table 25A includes existing businesses in Cambridge as well as the additional space that can be added in the future. The existing space must be considered when considering additional space. It's unlikely that all of the business establishments identified in Table 25A will choose to locate in Downtown nor is it likely that Downtown could accommodate all of these businesses. In the future as market demand grows, some businesses may need more space and have to relocate and others may choose to close. These changes provide the opportunity to adopt Downtown to contemporary retailing needs.

East TH-95 Development Potential

Categories of retail stores and services and square footages that are possible in the East TH-95 retail area are based on trade area sales potential. These estimates are contained in Table 26 for each target year (2015, 2020, 2025, and 2030). Sales potential analysis indicates that supportable square footage of retail stores and services will increase from about 1.9 million square feet in 2015 to over 3.0 million square feet in 2030. Estimated supportable square footage for each business type is contained in Table 26A at the end of this chapter.

Table 26

CAMBRIDGE EAST TH-95 TRADE AREA SUPPORTABLE SPACE, 2015 TO 2030

Merchandise Category	2015	2020	2025	2030
HOUSEHOLDS	69,499	76,853	84,985	93,978
Shopping Goods	807,132	938,055	1,090,265	1,267,156
Convenience Goods	205,908	239,295	278,127	323,238
Other Retail Stores	397,728	462,255	537,234	624,391
Health Care Services	254,766	303,490	361,539	430,699
Services	265,271	316,332	377,342	450,298
Total	1,930,805	2,259,427	2,644,507	3,095,782

Source: McComb Group, Ltd.

Development potential identified in Table 26A includes existing businesses in Cambridge outside Downtown as well as additional space that can be added in the future. As was the case with Downtown, not all of these businesses will choose to locate in Cambridge. Others may choose to locate in Cambridge, but may want to locate outside the East TH-95 retail area for competitive or other reasons.

Table 25A

CAMBRIDGE PRIMARY TRADE AREA SUPPORTABLE SPACE
BY MERCHANDISE CATEGORY
(Gross Leasable Area)

Merchandise Category	2015	2020	2025	2030	Store Size Low	Store Size Median	Store Size High
SHOPPING GOODS							
General Merchandise							
Department stores (Incl. leased depts.)							
Department Stores	13,409	15,604	18,151	21,120	89,641	148,796	243,167
Other general merchandise stores							
Dollar stores	6,932	8,068	9,386	10,923	2,726	8,000	13,788
Miscellaneous general mdse.	14,080	16,380	19,060	22,176	3,200	8,400	11,212
Apparel & Accessories							
Clothing Stores							
Womens clothing	10,055	11,700	13,615	15,840	2,074	4,200	8,740
Family clothing	17,985	20,923	24,350	28,335	2,374	8,000	28,228
Clothing accessories stores	952	1,107	1,293	1,503	918	1,400	2,001
Shoe Stores							
Family shoe stores	5,743	6,691	7,777	9,051	2,021	3,388	10,234
Athletic footwear	2,446	2,840	3,309	3,846	1,535	3,284	11,314
Furniture & Home Furnishings							
Furniture	20,369	23,704	27,581	32,088	3,108	7,927	36,712
Floor coverings	8,938	10,400	12,102	14,080	1,229	3,593	7,819
All other home furnishings stores	13,411	15,606	18,154	21,120	2,868	3,570	6,500
Electronics & Appliances Stores							
Household appliance stores	5,975	6,949	8,087	9,411	2,349	4,000	7,563
Radio, tv & electronics stores	22,570	26,263	30,557	35,557	1,208	3,406	10,451
Computers, software, music, & other electronics	3,467	4,034	4,695	5,462	997	3,388	25,600
Other Shopping Goods							
General Line Sporting Gds.	9,045	10,535	12,255	14,260	3,765	5,850	28,128
Specialty Line Sporting Gds.	11,622	13,524	15,733	18,307	1,097	2,449	4,356
Musical Instrument & Supplies	3,071	3,579	4,163	4,838	2,432	7,324	26,094
Jewelry stores	7,732	9,000	10,474	12,185	790	1,450	3,410
Hobby, toy & game	6,897	8,023	9,331	10,863	1,604	4,050	25,861
Gift, novelty & souvenirs	9,167	10,660	12,400	14,433	2,369	4,422	7,015
Sewing, needlework & piece goods	6,370	7,410	8,630	10,030	2,678	12,202	19,299
Pet stores	6,035	7,020	8,165	9,505	1,847	3,200	12,398
Optical goods stores	3,466	4,038	4,693	5,462	885	1,561	4,068
All other health & personal care	5,120	5,960	6,935	8,062	697	1,786	3,084
Total Shopping Goods	214,857	250,018	290,896	338,457			

Table 25A (continued)

CAMBRIDGE PRIMARY TRADE AREA SUPPORTABLE SPACE
BY MERCHANDISE CATEGORY
(Gross Leasable Area)

Merchandise Category	2015	2020	2025	2030	Store Size Low	Store Size Median	Store Size High
CONVENIENCE GOODS							
Food Stores							
Supermarkets	35,860	41,723	48,550	56,495	31,245	52,419	69,462
Baked Goods	444	516	604	700	1,191	1,834	3,285
Other Convenience Goods							
Drug & proprietary stores	45,800	38,065	62,007	72,152	8,280	11,700	23,714
Hardware	9,962	11,600	13,492	15,697	5,638	13,831	27,743
Liquor	12,664	14,736	17,144	19,949	1,305	2,856	7,210
Florist	3,674	4,274	4,979	5,789	766	1,600	5,396
Food/health supplement stores	1,956	2,276	2,648	3,080	1,200	1,234	1,968
Total Convenience Goods	110,360	113,190	149,424	173,862			
FOOD SERVICE							
Full-service restaurants	55,047	51,242	74,533	86,725	2,000	4,500	9,775
Limited service restaurants	37,708	43,878	40,843	47,523	1,335	3,000	3,400
Snack & beverage places	8,937	10,400	12,103	14,080	850	1,500	2,495
Ice Cream & Soft Serve	1,031	1,203	1,394	1,625	902	1,148	1,570
Doughnut Shops	2,132	2,486	2,891	3,359	744	1,200	2,153
Coffee Shops	2,850	3,318	3,858	4,490	881	1,500	2,000
Total Food Service	107,705	112,527	135,622	157,802			
GASOLINE SVS STATIONS/CONV.							
Gas/Convenience food stores	43,556	50,681	58,972	68,619	1,500	2,933	6,121
OTHER RETAIL STORES							
Building Materials & Garden Supplies							
Building materials & supplies stores							
Paint, glass & wallpaper	9,649	11,222	13,062	15,196	2,348	3,533	5,028
Lawn & garden equipment							
Outdoor power equipment	11,390	13,250	15,410	17,940	N/A	N/A	N/A
Retail nurseries, lawn & garden	48,650	56,610	65,870	76,650	N/A	15,000	N/A
Motor Vehicles & Parts Dealers							
Auto parts & accessories stores	12,720	14,800	17,220	20,035	2,232	6,500	13,000
Tire dealers	9,610	11,180	13,010	15,140	3,514	6,944	12,014
Total Other Retail Stores	92,019	107,062	124,572	144,961			
TOTAL RETAIL	**568,497**	**633,478**	**759,486**	**883,701**			

Source: McComb Group, Ltd.

Table 25A (continued)

CAMBRIDGE PRIMARY TRADE AREASUPPORTABLE SPACE
BY SERVICES CATEGORY
(Gross Leasable Area)

Category	2015	2020	2025	2030	Store Size Low	Store Size Median	Store Size High
SERVICES							
Personal Care Services							
Beauty Shops	20,458	24,400	29,100	34,700	900	1,400	3,480
Nail Salons	2,564	3,064	3,655	4,364	773	1,200	1,807
Diet & Weight Reducing Services	1,673	2,000	2,387	2,847	1,223	1,856	3,130
Other Personal Care Services	3,189	3,806	4,531	5,406	703	1,488	4,128
Drycleaning & Laundry Services							
Coin-Operated Laundries & Drycleaners	3,883	4,633	5,533	6,600	1,222	2,024	3,734
Drycleaning & Laundry Services (except coin-op.)	4,993	5,953	7,107	8,473	1,038	1,608	2,731
Other Personal Services							
Child Day Care Services	37,530	44,760	53,390	63,680	3,059	5,050	7,495
Photographic Studios	2,738	3,269	3,898	4,651	990	1,866	2,550
Veteranarian Services	12,529	14,942	17,818	21,253	1,346	2,122	2,701
Pet Care	4,293	5,120	6,107	7,280		1,200	
Rental and Leasing							
Formalwear and Costume Rental	408	488	581	693	763	1,046	1,773
Video Tape and Disc Rental	4,830	5,760	6,865	8,195	3,740	5,836	7,341
Home Health Equipment Rental	1,412	1,684	2,008	2,396	1,200	1,600	3,480
Recreation							
Physical Fitness Facilites	43,088	51,388	61,288	73,100	1,433	6,448	32,170
Professional Service Offices	31,743	37,863	45,160	53,860	711	2,092	6,264
Household Goods Repair							
Home & Garden Equipment & Appliance Repair &Maint.	1,663	1,983	2,360	2,817			
Reupholstery & Furniture Repair	1,071	1,271	1,510	1,806		600	
Garment Repair and Alteration Services	816	976	1,168	1,384	680	1,185	1,488
Computer & Office Machine Repair	1,540	1,993	2,727	2,787		1,200	
Automotive Repair and Maintenance							
General Automotive Repair	28,230	33,665	40,150	47,890	2,400	6,200	10,624
Paint or Body Repair Shops	16,880	20,135	24,010	28,640			
Automotive Glass Replacement	3,340	3,980	4,745	5,660			
Automotive Oil Change & Lubrication Shops	2,905	3,465	4,135	4,930			
Carwashes	3,610	4,310	5,140	6,130			
Total Services	235,386	280,908	335,373	399,542			
HEALTH CARE							
Offices of Physicians							
Offices of Physicians (except mental health specialists)	83,115	99,126	118,227	141,008	969	1,652	4,008
Offices of Physicians, Mental Health Specialists	759	902	1,078	1,286	969	1,800	4,008
Offices of Dentists	38,394	45,791	54,614	65,139	1,090	1,700	3,970
Offices of Chiropractors	5,542	6,612	7,884	9,403	1,090	1,600	3,970
Offices of Optometrists	2,104	2,508	2,993	3,569	1,074	1,620	4,347
Offices of Mental Health Practitioners (except physicians)	2,852	3,400	4,058	4,838	1,090	1,800	3,970
Physical & Occupational Therapists	4,780	5,701	6,800	8,110	1,090	1,600	3,970
Offices of Podiatrists	448	535	636	759	1,090	1,800	3,970
Offices of All Other Misc. Health Practitioners	2,090	2,493	2,971	3,542	1,090	1,800	3,970
Total Health Care	140,084	167,068	199,261	237,654			

Source: McComb Group, Ltd.

Table 26A

CAMBRIDGE EAST TH-95 TRADE AREA SUPPORTABLE SPACE
BY MERCHANDISE CATEGORY
(Gross Leasable Area)

Merchandise Category	2015	2020	2025	2030	Store Size Low	Store Size Median	Store Size High
SHOPPING GOODS							
General Merchandise							
Department stores (Incl. leased depts.)							
Discount stores	265,872	308,996	359,136	417,392	57,720	94,788	141,986
Department Stores	75,058	87,236	101,391	117,836	89,641	148,796	243,167
Other general merchandise stores							
Warehouse Clubs and Supercenters	165,936	192,853	224,144	260,502	90,134	151,980	217,447
Dollar stores	6,336	7,364	8,564	9,945	2,726	8,000	13,788
Miscellaneous general mdse.	12,864	14,956	17,380	20,204	3,200	8,400	11,212
Apparel & Accessories							
Clothing Stores							
Womens clothing	10,725	12,465	14,480	16,835	2,074	4,200	8,740
Family clothing	19,177	22,288	25,904	30,108	2,374	8,000	28,228
Clothing accessories stores	1,017	1,179	1,376	1,600	918	1,400	2,001
Shoe Stores							
Family shoe stores	6,126	7,120	8,274	9,623	2,021	3,388	10,234
Athletic footwear	2,600	3,023	3,514	4,086	1,535	3,284	11,314
Furniture & Home Furnishings							
Furniture	24,435	28,400	33,008	38,362	3,108	7,927	36,712
Floor coverings	10,724	12,462	14,484	16,831	1,229	3,593	7,819
Window treatment stores	1,148	1,333	1,552	1,805	1,489	4,905	9,934
All other home furnishings stores	16,086	18,697	21,726	25,251	2,868	3,570	6,500
Electronics & Appliances Stores							
Household appliance stores	7,167	8,324	9,676	11,247	2,349	4,000	7,563
Radio, tv & electronics stores	90,250	104,890	121,910	141,687	1,208	3,406	10,451
Computers, software, music, & other electronics	4,160	4,834	5,619	6,529	997	3,388	25,600
Other Shopping Goods							
General Line Sporting Gds.	10,860	12,620	14,665	17,045	3,765	5,850	28,128
Specialty Line Sporting Gds.	13,938	16,200	18,827	21,884	1,097	2,449	4,356
Stationery Stores and Office Supply	5,256	6,104	7,096	8,248	585	1,033	2,247
Musical Instrument & Supplies	3,688	4,283	4,979	5,788	2,432	7,324	26,094
Jewelry stores	9,277	10,785	12,535	14,566	790	1,450	3,410
Hobby, toy & game	8,269	9,611	11,171	12,989	1,604	4,050	25,861
Gift, novelty & souvenirs	10,987	12,773	14,847	17,253	2,369	4,422	7,015
Sewing, needlework & piece goods	7,640	8,880	10,320	12,000	2,678	12,202	19,299
Pet stores	7,235	8,410	9,775	11,365	1,847	3,200	12,398
Optical goods stores	4,159	4,834	5,617	6,531	885	1,561	4,068
All other health & personal care	6,142	7,135	8,295	9,644	697	1,786	3,084
Total Shopping Goods	807,132	938,055	1,090,265	1,267,156			

Table 26A (continued)

CAMBRIDGE EAST TH-95 TRADE AREA SUPPORTABLE SPACE
BY MERCHANDISE CATEGORY
(Gross Leasable Area)

Merchandise Category	2015	2020	2025	2030	Store Size Low	Store Size Median	Store Size High
CONVENIENCE GOODS							
Food Stores							
Supermarkets	130,015	151,103	175,620	204,110	31,245	52,419	69,462
Convenience food	2,400	2,787	3,240	3,763	1,349	2,085	5,323
Other Convenience Goods							
Drug & proprietary stores	44,946	52,235	60,713	70,561	8,280	11,700	23,714
Hardware	10,270	11,930	13,870	16,119	5,638	13,831	27,743
Liquor	13,048	15,163	17,624	20,483	1,305	2,856	7,210
Florist	3,789	4,405	5,116	5,942	766	1,600	5,396
Food/health supplement stores	1,440	1,672	1,944	2,260	1,200	1,234	1,968
Total Convenience Goods	205,908	239,295	278,127	323,238			
FOOD SERVICE							
Full-service restaurants	70,442	81,869	95,153	110,589	2,000	4,500	9,775
Limited service restaurants	48,253	56,080	65,180	75,753	1,335	3,000	3,400
Snack & beverage places	10,720	12,463	14,487	16,837	850	1,500	2,495
Ice Cream & Soft Serve	1,237	1,437	1,674	1,945	902	1,148	1,570
Doughnut Shops	2,564	2,973	3,455	4,018	744	1,200	2,153
Coffee Shops	3,418	3,973	4,618	5,365	881	1,500	2,000
Total Food Service	136,634	158,795	184,567	214,507			
GASOLINE SVS STATIONS/CONV.							
Gas/Convenience food stores	43,351	50,382	58,558	68,056	1,500	2,933	6,121
Other Gas Stations & Truck Stops	6,809	7,913	9,198	10,689		2,000	
Total Gasoline Svs Stations/Conv.	50,160	58,295	67,756	78,745			
OTHER RETAIL STORES							
Building Materials & Garden Supplies							
Building materials & supplies stores							
Home centers	104,931	121,954	141,740	164,731	8,981	95,173	135,833
Paint, glass & wallpaper	8,818	10,249	11,911	13,840	2,348	3,533	5,028
Other building materials dealers	185,564	215,667	250,658	291,320	N/A	N/A	N/A
Lawn & garden equipment							
Outdoor power equipment	11,800	13,710	15,930	18,520	N/A	N/A	N/A
Retail nurseries, lawn & garden	50,400	58,580	68,070	79,120	N/A	15,000	N/A
Motor Vehicles & Parts Dealers							
Auto parts & accessories stores	20,625	23,975	27,865	32,385	2,232	6,500	13,000
Tire dealers	15,590	18,120	21,060	24,475	3,514	6,944	12,014
Total Other Retail Stores	397,728	462,255	537,234	624,391			
TOTAL RETAIL	1,597,562	1,856,695	2,157,949	2,508,037			

Source: McComb Group, Ltd.

Table 26A (continued)

CAMBRIDGE EAST TH-95 TRADE AREA SUPPORTABLE SPACE
BY SERVICES CATEGORY
(Gross Leasable Area)

Category	2015	2020	2025	2030	Store Size Low	Store Size Median	Store Size High
SERVICES							
Personal Care Services							
Beauty Shops	23,447	27,926	33,274	39,637	900	1,400	3,480
Nail Salons	2,945	3,509	4,182	4,973	773	1,200	1,807
Diet & Weight Reducing Services	1,920	2,287	2,720	3,247	1,223	1,856	3,130
Other Personal Care Services	3,651	4,349	5,177	6,171	703	1,488	4,128
Drycleaning & Laundry Services							
Coin-Operated Laundries & Drycleaners	4,950	5,900	7,017	8,367	1,222	2,024	3,734
Drycleaning & Laundry Services (except coin-op.)	6,360	7,580	9,027	10,753	1,038	1,608	2,731
Other Personal Services							
Child Day Care Services	43,020	51,240	61,040	72,730	3,059	5,050	7,495
Photographic Studios	3,142	3,742	4,458	5,313	990	1,866	2,550
Veteranarian Services	14,360	17,102	20,378	24,276	1,346	2,122	2,701
Pet Care	4,920	5,867	6,973	8,320		1,200	
Rental and Leasing							
Formalwear and Costume Rental	468	559	666	792	763	1,046	1,773
Home Health Equipment Rental	1,620	1,928	2,300	2,736	1,200	1,600	3,480
Recreation							
Physical Fitness Facilites	49,388	58,825	70,075	83,488	1,433	6,448	32,170
Professional Service Offices	36,387	43,347	51,640	61,517	711	2,092	6,264
Household Goods Repair							
Home & Garden Equipment & Appliance Repair &Maint.	1,903	2,269	2,703	3,217			
Reupholstery & Furniture Repair	1,219	1,452	1,729	2,065		600	
Garment Repair and Alteration Services	936	1,112	1,328	1,584	680	1,185	1,488
Computer & Office Machine Repair	1,640	2,293	3,260	4,607		1,200	
Automotive Repair and Maintenance							
General Automotive Repair	32,355	38,540	45,910	54,695	2,400	6,200	10,624
Paint or Body Repair Shops	19,345	23,045	27,460	32,710			
Automotive Glass Replacement	3,825	4,560	5,425	6,470			
Automotive Oil Change & Lubrication Shops	3,330	3,970	4,725	5,630			
Carwashes	4,140	4,930	5,875	7,000			
Total Services	265,271	316,332	377,342	450,298			
HEALTH CARE							
Offices of Physicians							
Offices of Physicians (except mental health specialists)	150,835	179,686	214,056	255,000	969	1,652	4,008
Offices of Physicians, Mental Health Specialists	1,375	1,639	1,950	2,322	969	1,800	4,008
Offices of Dentists	69,678	83,003	98,881	117,797	1,090	1,700	3,970
Offices of Chiropractors	10,061	11,983	14,275	17,006	1,090	1,600	3,970
Offices of Optometrists	3,819	4,547	5,417	6,455	1,074	1,620	4,347
Offices of Mental Health Practitioners (except physicians)	5,177	6,165	7,345	8,751	1,090	1,800	3,970
Speech Therapist & Audiologists	545	652	777	925	1,090	1,600	3,970
Physical & Occupational Therapists	8,675	10,333	12,310	14,664	1,090	1,600	3,970
Offices of Podiatrists	810	966	1,151	1,370	1,090	1,800	3,970
Offices of All Other Misc. Health Practitioners	3,791	4,516	5,377	6,409	1,090	1,800	3,970
Total Health Care	254,766	303,490	361,539	430,699			

Source: McComb Group, Ltd.

Chapter VIII

FINDINGS AND RECOMMENDATIONS

Development potential indicates that over the long-term, Cambridge will have sufficient estimated retail potential to support over 3.0 million square feet of retail space in 2030. These estimates include existing retailers operating in Cambridge. There is overlap in development potential between Downtown and the East TH-95 retail area, particularly in smaller stores and services. Also, development potential for the East TH-95 retail area includes uses that could choose to locate somewhere else in the Cambridge area depending on business type and location of competitive stores.

Over the near-term, Cambridge has the potential to support additional retail stores in both Downtown and the East TH-95 retail area. Most of the large format stores that are supportable in the near future are already in Cambridge. There is market support for an electronics retailer; however, Best Buy is located in Blaine and may believe that store covers the Cambridge area.

Retail potential exists for smaller stores in the shopping goods, convenience goods, food service, and services categories. Many of these businesses would be suitable for Downtown. The challenge will be to provide suitable locations for these businesses. New businesses considering Cambridge will desire a location and building that is consistent with the image they want their business to convey with good visibility and adequate parking.

Recommendations discussed below are designed to enhance retail development potential and assist Cambridge in achieving its full retail potential. They include short-term and long-term actions. Many of these recommendations were contained in the 2005 report, but are still relevant today. Other recommendations are designed to address emerging concerns.

Downtown and East TH-95 should remain as the two major shopping areas in Cambridge and should be encouraged to grow toward each other and eventually join. This would create a retail presence of over 1.5 miles. Findings and recommendations are discussed below.

Downtown

Downtown, Cambridge's traditional retail area, is conveniently located for Cambridge residents and is an appealing area for commercial businesses to locate. Downtown is a good location for smaller retail stores including convenience goods, shopping goods, food service, and a variety of service businesses and offices. Main Street is well occupied, but Downtown had 11 vacant store fronts.

Downtown is still adapting to the rerouting of TH-65, which resulted in lower traffic counts. As a result of this change, Downtown became a more pleasing environment and maintains a generally attractive appearance.

TH-95 has become the highest traffic volume street in Downtown and has become an important street connecting Downtown to the East TH-95 retail area; however, many of the buildings are dated and unattractive, which detracts from Downtown's appearance and vitality. Currently, three dated buildings are vacant.

Improving the appearance and occupancy along TH-95 should be a priority. This may require acquisition and demolition to attract new retailers. This would benefit the entire Downtown.

Downtown's parking inventory is not evenly distributed throughout the area. Parking areas should be conveniently located to businesses throughout Downtown. Consumers should be able to find parking reasonable close to their destination, and feel comfortable walking to other businesses on an adjacent block.

Recommendations to improve Downtown Cambridge and its appeal to customers include:

- Provide at least one large parking area in each quadrant of Downtown. Downtown should have 3.5 to 4.0 convenient parking spaces per 1,000 square feet of retail area.
- Downtown merchants should market to the larger trade area. They should seek to compliment the merchandise offerings of the larger stores in the East TH-95 retail area.
- Install electronic signage in the East TH-95 retail area to market Downtown. There may be a location where Downtown signage could be located on public property or private property for rental.

East TH-95

The East TH-95 retail area is likely to continue as the area of greatest interest for large format retail stores and developers. Its proximity to the TH-65 and TH-95 interchange provides excellent accessibility for trade area residents. Recent development has occurred on both the east and west edges of this area.

Development in this retail area has extended east to Flanders Street leaving infill development opportunities. The Kohl's and Lowe's stores are set back from TH-95 with areas for additional retail development along TH-95. In addition, there are smaller development sites that can accommodate additional retail and services establishments.

The area's most immediate challenge is to find a tenant or tenants for the former Lowe's store. This could be a large store or several stores that need smaller spaces.

The area immediately east of TH-65 is under developed and well located to accommodate future development. Future development on the north side of TH-95 in this area should be planned so that it enhances future development potential of the area between Opportunity Boulevard and TH-65.

Future Retail Expansion

Most of the prime commercial sites in the East TH-95 retail area will soon be developed. In the future, retailers will be looking for well located sites with visibility from TH-65 and access from TH-95. Land available for future development in the East TH-95 retail area lies north of or behind the existing commercial developments along TH-95. While these sites between TH-65 and Opportunity Boulevard are large, existing development blocks visibility from TH-95. These parcels, as they currently exist, are "secondary" commercial sites and will not appeal to big box stores and destination retailers. These retailers will want sites with better location and access. Planning should be conducted to suggest how this area could be used to connect the larger parcel to the TH-95 corridor.

The TH-95 corridor between Downtown and the East TH-95 retail area is retail expansion area. Planning should be conducted to determine how retail stores and services could be accommodated in this area. At the same time, planning should be conducted along TH-95 between Cypress and the BNSF tracks to determine how to create attractive development sites. This could also include conceptual planning to widen TH-95.

Retail redevelopment along TH-95 would form a retail link between the East TH-95 retail area and Downtown. Redevelopment of these two areas for retail use would create a “main street” effect with the East TH-95 retail area anchoring one end and Downtown anchoring the other. This would serve to encourage shoppers to move between the two areas. This approach would result in the largest amount of retail space and would support Downtown.