Waseca, Minnesota Retail and Lodging Market Analysis

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1   EXECUTIVE SUMMARY

The community of Waseca has many opportunities to capitalize on some of the retail leakage to other nearby communities. Cardinal Geographics reviewed several retail categories including Motor Vehicle and Auto Parts Dealers; Building Material and Garden Supply; Food and Beverage Stores; Gasoline Stations (including convenience stores); General Merchandise; Amusement and Recreation; Accommodations/Lodging; and Food Service and Drinking Places. Below is a summary of some of the growth strategies for the different retail segments.

- Motor Vehicle and Parts Dealers (NAICS 441): Waseca is currently served with two new car dealerships (Ford & Chrysler) and two auto parts stores (Napa & O'Reilly). There is minimal leakage based on the population. There may be an opportunity to grow this sector with an additional used car dealership.

- Building Material, Garden Equipment and Supplies Dealers (NAICS 444): Waseca is currently served in this category with a current Ace Hardware store as well as Walmart and Bomgaars. Some of the current leakage could be recaptured via an expansion of the Ace Hardware store to include lumber or other hardware products that Walmart or Bomgaars would not carry.

- Food and Beverage Stores (NAICS 445): Waseca is leaking some dollars in this category. Walmart is the primary grocery retailer is the community.   The former Hy-Vee space could support another grocer (20,000 - 30,00 SF range) such as Fareway Stores or Aldi. Both chains currently have stores in the southern Minnesota region.

- Gasoline Stations (NAICS 447): Waseca is well served between both Casey's and Kwik Trip gas stations.   If another fuel center operator (truck stop/travel center) were to enter the market, then a location near US-14 at one of the "gateway interchanges" would draw on through traffic, and could capture some of the leakage.

- General Merchandise (NAICS 452): Waseca does well in this category with both Walmart and Dollar Tree. There is the opportunity to recapture some leakage by repurposing the former Dollar General on State Street. Potential retailers could include Five and Below, a small pharmacy, hair and beauty supply, or a recreation/outdoor supply store.

- Amusement, Gambling, and Recreation Industries (NAICS 713): Waseca does well in this category with the nearby lakes and two event centers downtown. There are possible opportunities to work with Minnesota State University on hosting outdoor athletic events, and/or brainstorm other opportunities with the Chamber of Commerce. Market the lakes.

- Accommodations for Travelers (NAICS 721): Waseca has two lodging establishments offering 88 rooms (total), in the economy and midscale category.   There is leakage to both Owatonna and Mankato, with the opportunity to capture additional secondary market travel to Mankato.   There is an opportunity to expand the capacity at one of the existing hotels (10-20 rooms) or if a third establishment (midscale or upper midscale) were to enter the market then something on the smaller side of 30-50 rooms would be ideal.

- Food Services and Drinking Places (NAICS 722): Waseca has had some leakage in this category, especially outside of the fast-food/Quick Service Restaurant category. The driver of bringing in new restaurants includes either day or night population growth, or household/roof top growth. Growth will primarily be locally owned establishments compared to regional/national chains. Chain sit-down restaurants will want to locate closer to US-14 to capture the through traffic.

2   INTRODUCTION

Cardinal Geographics (CG) has been retained by the City of Waseca to provide a Retail & Lodging Market Analysis in evaluating the Waseca retail and lodging market development potential. This retail market analysis provides a strategic plan for attracting a healthy level of retail for local/regional residents and the surrounding communities. The goals of this retail market analysis are to:

- Define and delineate the geographic extents of Waseca trade areas for both convenience-oriented (Local Trade Area) and regional retailers (Regional Trade Area).

- Delineate the existing and planned retail market for the Waseca area.

- Determine the gap between retail expenditure potential and retail saturation within trade areas and identify some retail categories that should be investigated.

- Determine the current and projected trade area population and demographic characteristics.

- Discussion of the demographics and trade area psychographics (predominant lifestyles in the region).

- Discussion of the determinants (catalysts or impediments) for retail surplus/leakage.

- Discussion of current and potential lodging opportunities.

2.1   Background

The City of Waseca is located along US-14, approximately 16 miles west of Owatonna and 28 miles east of Mankato. The City of Waseca is the County Seat of Waseca County, which brings a certain amount of economic activity to the community. The larger communities of Faribault, Mankato and Owatonna, provide the day-to-day shopping needs of the greater region, with destination shopping in Minneapolis-St. Paul (MSP). Between 2010 and 2020 the population of Waseca decreased from 9,414 to 9,229 or decrease of 2%. The larger Waseca Trade Area (96 square miles) had a population of 11,403 in 2010 and a population of 11,166 in 2020 or a decrease of 2%. Historically, the region has had an agriculturally-oriented economy; however, in recent years there has been growth in people commuting to other population centers. Figure 3.1 (on the next page) identifies the geographic extent of the Waseca LTA.

3   TARGET MARKET ANALYSIS

Waseca's primary target markets for retail, services, restaurants and entertainment include local residents, some regional residents, and area employees. This section provides a characterization of the size and features of each market. CG visited this region in the fall of 2021, so CG is familiar with the geography, as CG visited the communities of Mankato, Waseca, Faribault, and Owatonna. An on-site field evaluation for this specific analysis was not completed to keep costs down. CG also evaluated regional accessibility and regional commuting patterns. Figure 3.1 provides an overview of Waseca LTA.
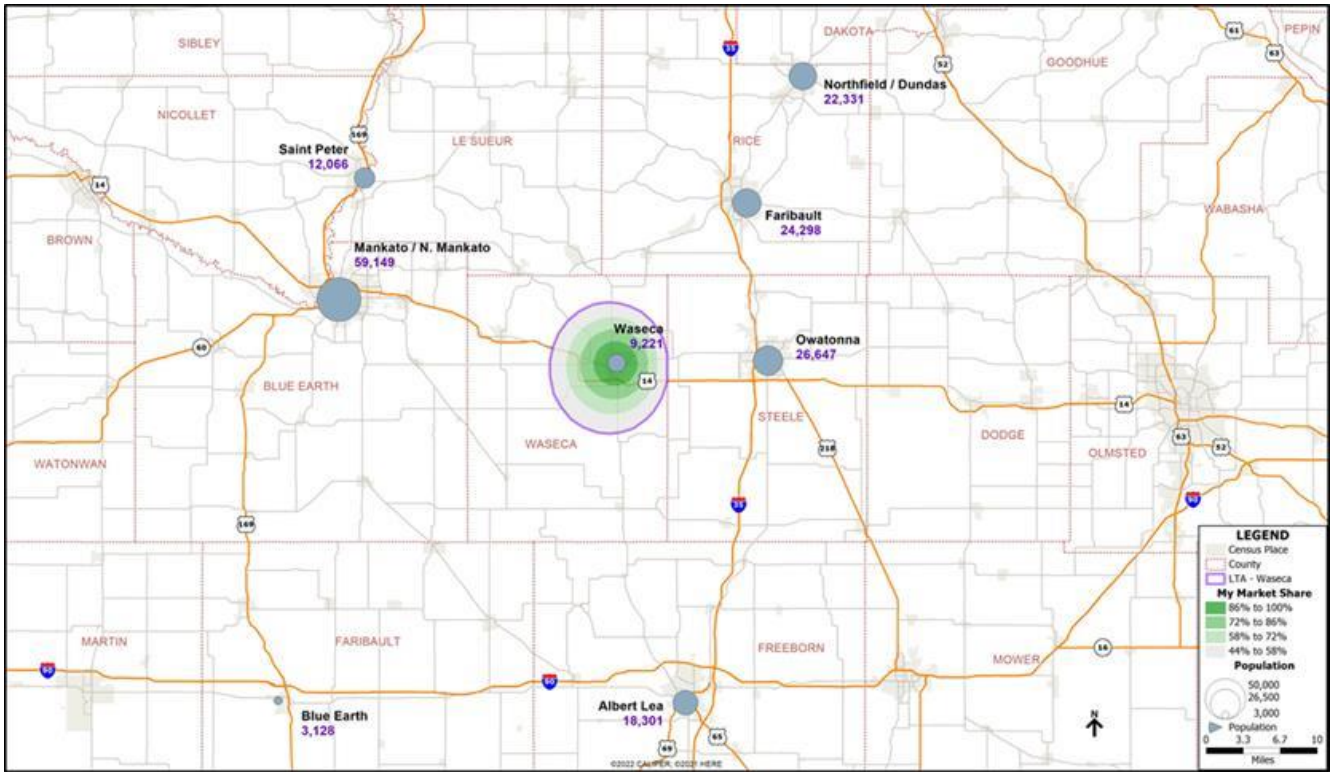
Figure 3.1 – Map of the Waseca LTA

3.1   Defining the Area

CG defined Waseca retail trade areas by analyzing several factors, including road networks, local retail nodes, retail competition, demographic and psychographic profiles, physical and psychological barriers, and peer retail trade areas. Data collected on the Waseca retail environment field evaluation was also incorporated. Additionally, CG reviewed the trade areas of selected regionally oriented retailers within the context of the Waseca trade area characteristics. As part of this analysis CG identified a LTA, as this term is further defined in section 3.2.

3.2   Local Trade Area (LTA)

The LTA is the geographic area from which its convenience-based retailers (i.e., auto parts stores, grocery stores, general merchandise quick-service restaurants, and gas stations) will typically draw approximately 70 to 75% of their business. This area includes a population base that can support merchandise that is typically purchased on a daily/weekly basis.   The trade areas, as currently defined, are "true" trade areas, as they were customized and are not merely reflections of mileage rings or drive times. CG built these trade areas from US Census Block Groups to better align them with demographic characteristics datasets and the retail supply/demand of the area. There are some cases in which the trade-area boundary does not follow a straight line or roadway. The trade-area borders may follow block-group boundaries, although they may not always be intuitive, the borders are more accurate because the potential for error from calculating customized population apportionments is limited. Generally, the LTA (as identified in Figure 3.1) mostly serves the northeast corner of Waseca County. Waseca will continue to be the focus city for the day-to-day retail needs of Waseca County residents including some outlying areas.

Waseca, MN – Retail & Lodging Market Analysis – ©2023 – Cardinal Geographics

3.3   Regional Trade Area (RTA)

The RTA is the geographic area from which regionally oriented retailers (i.e., Walmart Supercenter, The Home Depot, JCPenney, Kohl's, etc.) will draw approximately 75% of their business. Unlike the LTA, the RTA may cover several counties, as shown in Figure 3.2.

Waseca is located within the RTA for the communities of Mankato and Faribault/Owatonna. Retailers could include Costco, Dave & Busters, The Home Depot, JCPenney, Kohl's, Lowe's, and Target.

The RTA definition reflects a favorable accessibility to both Mankato and Faribault/Owatonna, especially along booth the US-14 and I-35 corridors. Both the Mankato and Faribault/Owatonna markets, offer many shopping opportunities for both the discount and mid-range price-oriented consumer. Destination oriented shopping is located further afar in the Minneapolis-St Paul (MSP) area. Waseca consumers looking for a large home-improvement/appliance retailer, a large office-supply store, apparel retailers, or a sporting-goods store would need to travel to either Mankato or Faribault/Owatonna.
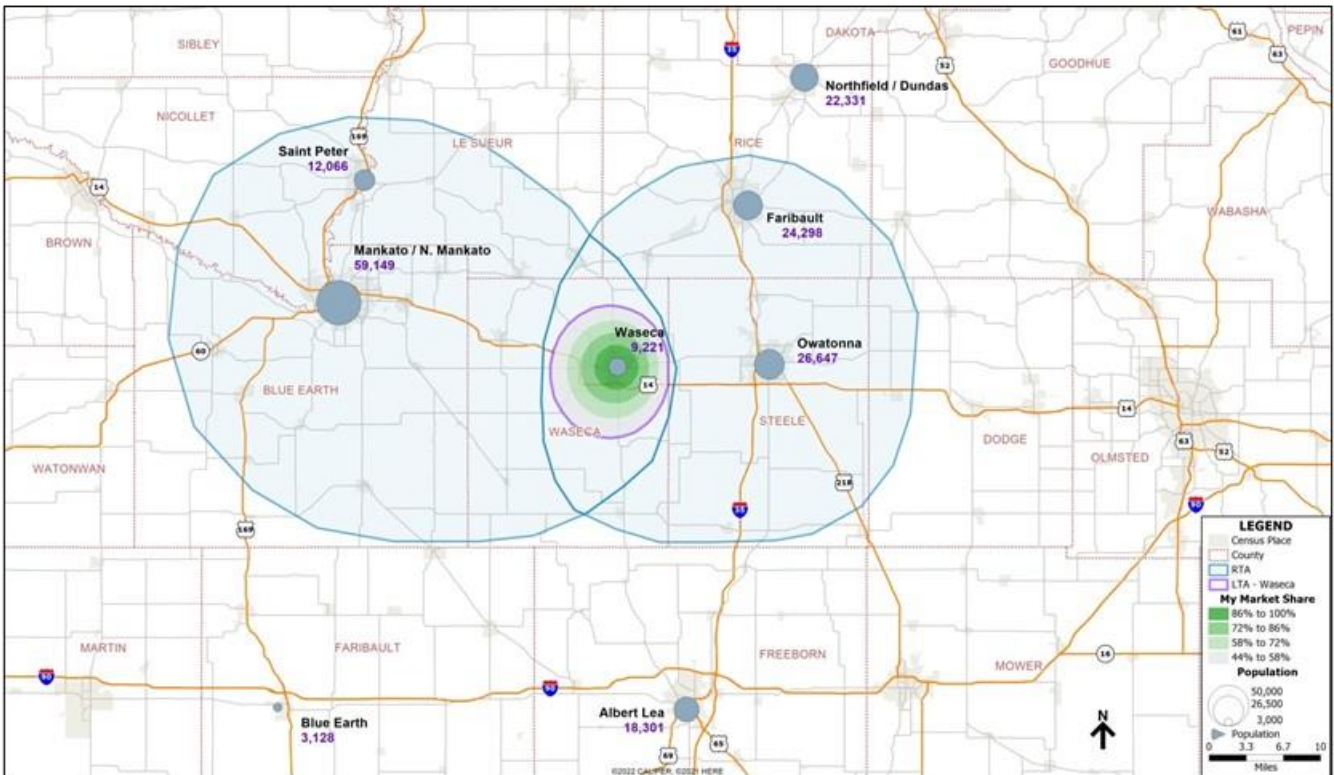
Figure 3.2 – Regional Trade Area (RTA)

3.4   Population

A summary of major demographic characteristics for the Waseca trade area, as well as competing trade areas is provided in Table 3.1. As of 2020, CG estimates that the LTA is home to 10,778 people, which represents a decrease of 5.5% from 2010. The Faribault/Owatonna RTA is home to 81,197 people, which is an increase of 0.6% from 2010.   The Mankato RTA (the largest in the area) is home to 121,138 people, up 3.6% form 2010. Current population figures for both Faribault/Owatonna and Mankato shows modest growth, while a decline in Waseca.   MSP, while being located approximately 70 miles north of Waseca, is not a factor in Waseca's retail situation, as MSP attracts more destination-oriented retail attractions.

The Waseca LTA contains 4,305 households with an average household size of 2.3 people. The Faribault/Owatonna RTA contains 31,729 households with an average household size of 2.4 people. The Mankato RTA contains 47,213 households, with an average household size of 2.4 people. It is anticipated as population increases, the number of households will increase proportionately. The average household size of 2.3 to 2.4 people has remained fairly constant over the past couple of decades.

It is anticipated that by 2040, Waseca County (Waseca) will have a population of 17,846 down 7.3% from 2020 (19,255 people). It is anticipated that by 2040, Rice and Steele Counties (Faribault and Owatonna respectively) will have a population of 132,564 up 20% from 2020 (111,249). It is anticipated that by 2040, Blue Earth County (Mankato) will have a population of 78,916 up 15% from 2020 (68,726). Figures 3.3 and 3.4 show both population growth and change in southern Minnesota between 2020 and 2055.

Demographic Indicator	Waseca LTA	Faribault/ Owatonna RTA	Mankato RTA
Geographic Size	98 mi^2	738 mi^2	1,117 mi^2
2010 Population (census count)	11,403	80,704	116,905
2020 Population (census count)	10,778	81,197	121,138
Avg. Ann. % Change ('10 to '20)	-5.5%	0.6%	3.6%
Daytime Population	7,887	60,856	98,602
Number of Households	4,305	31,729	47,213
Average Household Size	2.30	2.38	2.37
Median Household Income	$61,782	$67,217	$66,516
Median Age (Years)	42.1	41.9	39.6
% White Alone	85.0%	82.1%	87.8%
% Hispanic	8.1%	8.8%	4.3%
Homeownership	74.0%	74.6%	67.7%
HS Diploma	92.5%	91.6%	94.3%
Four Year Degree or More	19.8%	21.1%	34.2%

Table 3.1 – Demographic Snapshot: Waseca LTA, Faribault/Owatonna RTA, and Mankato RTA
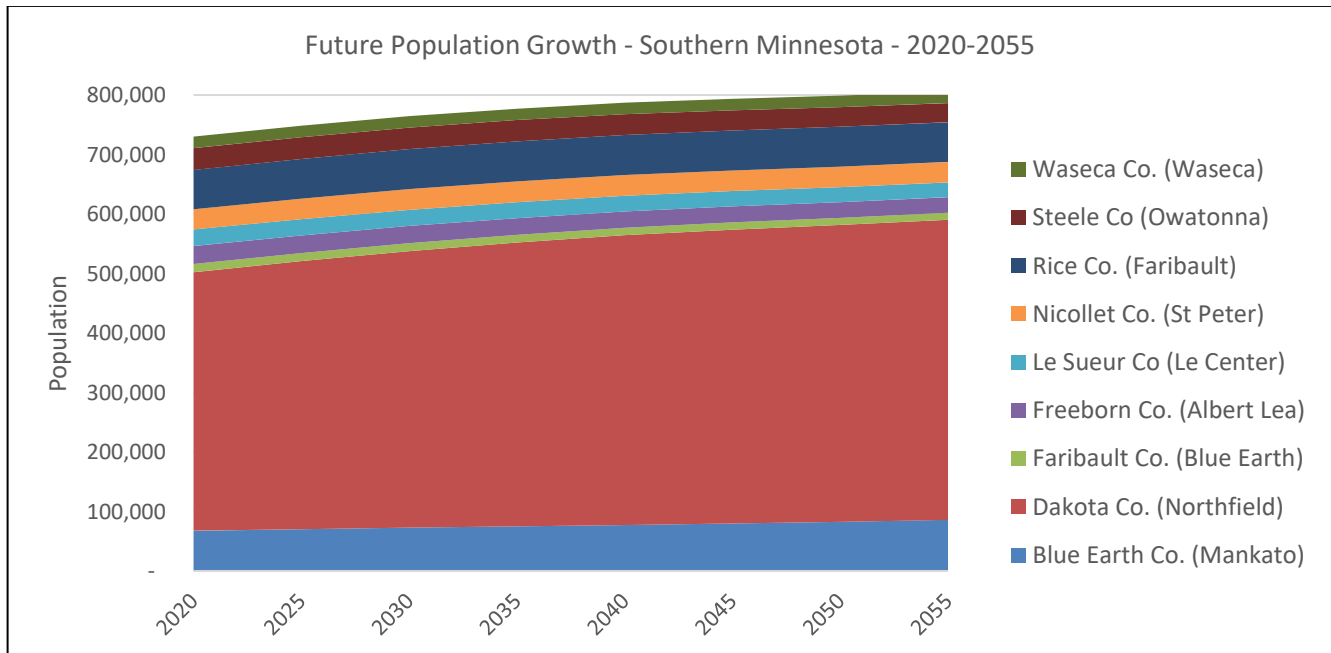
Figure 3.3 – Future Population Growth – Southern Minnesota – 2020-2025
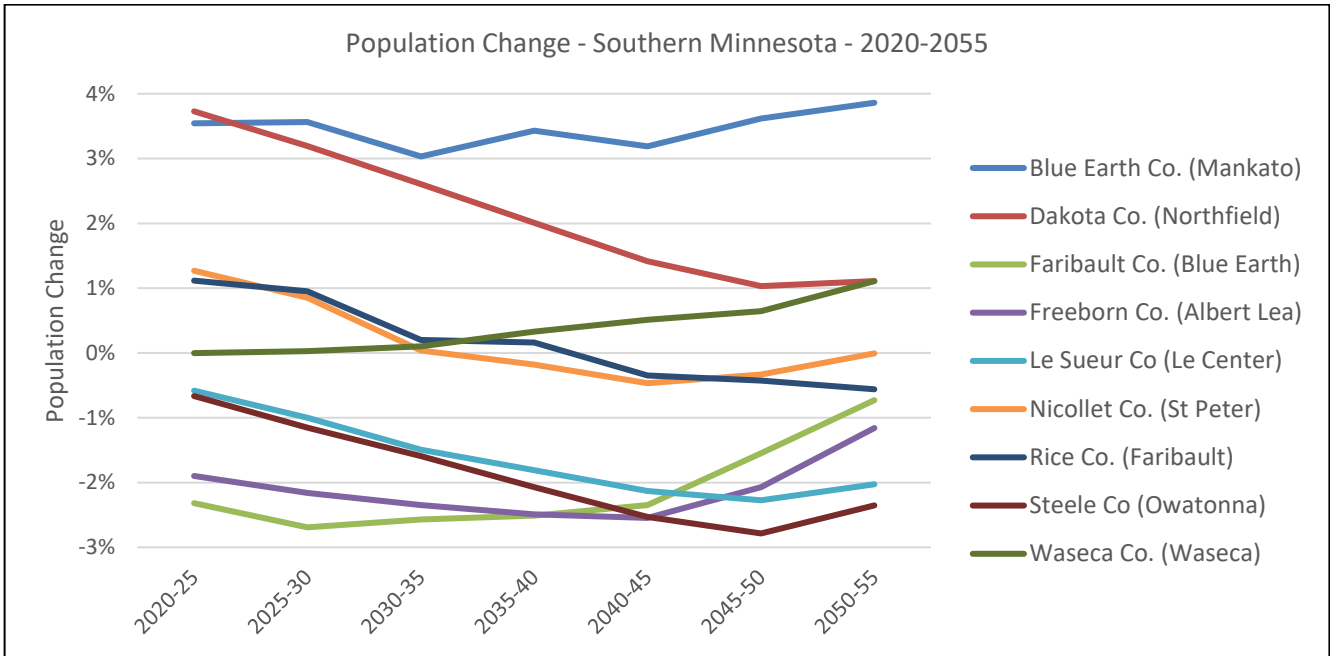
Figure 3.4 – Population Change - Southern Minnesota – 2020-2025

3.5   Income

As of 2020, the median household income in the Waseca LTA was $61,782. In comparison, the median household income in the Faribault/Owatonna RTA and Mankato RTA was $67,217 and $66,516 respectively. Household incomes are higher in the two RTAs, as and they both have a more diverse employment base with the correctional facility (Faribault), State schools for the Blind and Deaf (Faribault), and retail distribution and industrial (Owatonna), and Minnesota State University (Mankato). Figure 3.5 shows the population by income cohorts for the City of Waseca and Waseca County.

Figure 3.5 – Population by income cohorts for the City of Waseca and Waseca County – 2020

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3.6   Age

In 2020, the median age in the Waseca LTA was 42.1. In comparison, the median age in the Faribault/Owatonna RTA and Mankato RTA was 41.9 and 39.6 respectively. Ages are slightl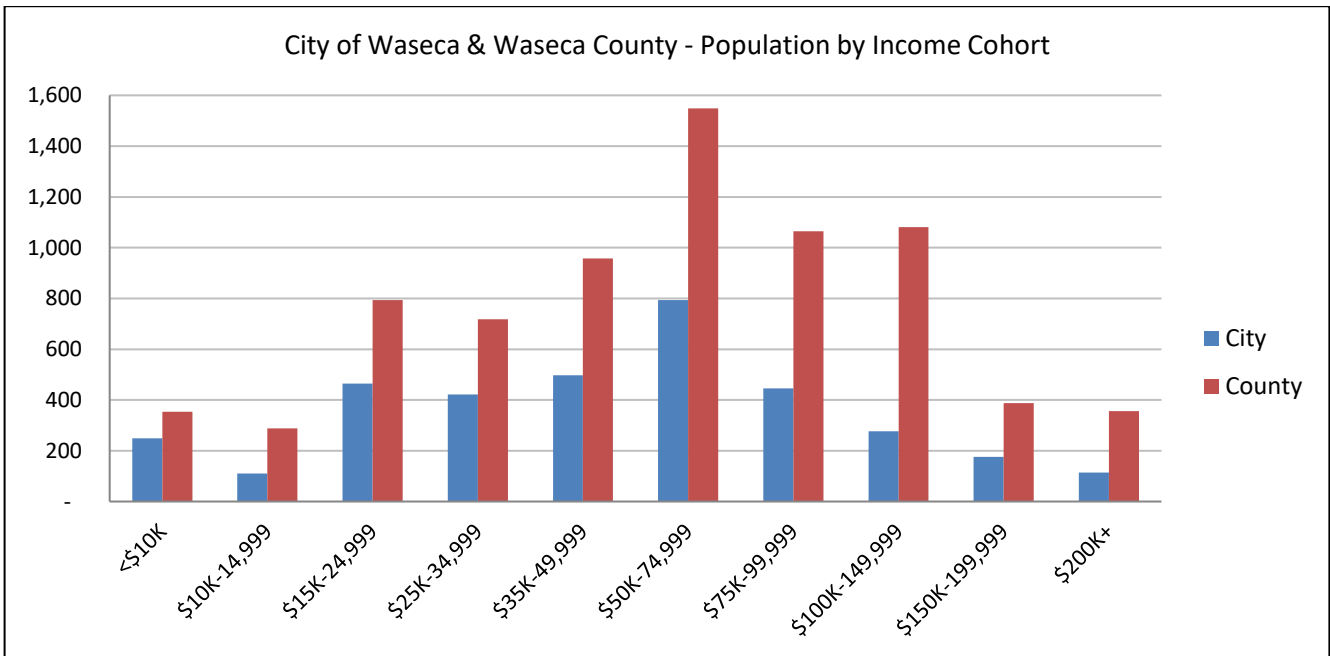y lower in the two RTAs, as and they both have a more diverse population base with the correctional facility in Faribault, and Minnesota State University in Mankato, which both lower the median age. Figure 3.6 shows the population by age cohorts for the City of Waseca and Waseca County.
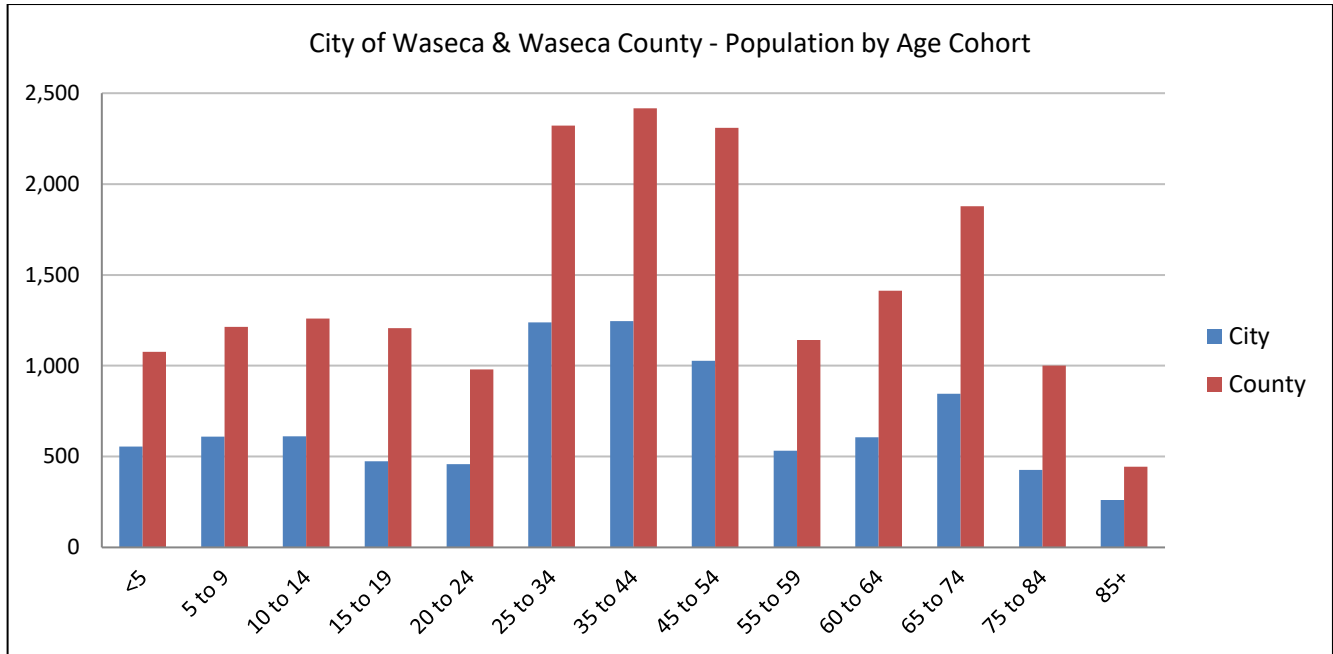

Figure 3.6 – Population by age cohorts for the City of Waseca and Waseca County – 2020

3.7   Racial and Ethnic Composition

According to 2020 data from the US Census Bureau, the majority of the Waseca LTA residents are non-Hispanic white (85.0%) and Hispanic (8.1%). Faribault/Owatonna RTA and Mankato RTA have similar racial/ethnic components, as indicated in Table 3.1.

3.8   Area Employees

Employees working in or near the Waseca LTA remain an important captive market for retail and some services, with research indicating that office workers typically spend between 10 and 15% (rule of thumb) of their expendable income near their places of work. As of 2020, there were an estimated 5,087 people employed within the Waseca LTA. The largest share of workers (by occupation type) was management/professional at 30.2% and sales/office at 23.7%, manufacturing/transportation at 20.8%, service at 14.8%, and natural resources/construction at 10.5% as identified in Table 3.2.

In terms of Industry employment, the largest industry sectors include education/health/social services at 25.3%, manufacturing at 20.9% (Berry Pallets, All American Foods, etc.), retail trade at 8.7%, construction at 7.8%, and profession/scientific/administration at 6.1%, to round out the top five sectors. Other industry sectors are identified in Table 3.3

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Occupation	Waseca LTA		Faribault / Owatonna RTA		Mankato RTA	
	Employed	%	Employed	%	Employed	%
Manage/prof	1,536	30.2%	12,459	31.9%	23,793	35.4%
Service	751	14.8%	5,638	14.4%	13,032	19.4%
Sales/office	1,206	23.7%	8,316	21.3%	13,722	20.4%
Nat res/construction/maintenance	535	10.5%	3,959	10.1%	5,647	8.4%
Prod/transportation/materials	1,059	20.8%	8,713	22.3%	11,083	16.5%

Table 3.2 – Occupation Employment in the LTA in 2020. Total civilian employed population 16 years and over. Table: OCCUPATION|2020 5-Year ACS: DP3029

Industry	Waseca LTA		Faribault / Owatonna RTA		Mankato RTA	
	Employed	%	Employed	%	Employed	%
Ag/forestry/fish/mining	210	4.1%	1,591	4.1%	1,801	2.7%
Construction	396	7.8%	2,836	7.3%	4,116	6.1%
Manufacturing	1,065	20.9%	8,851	22.6%	10,282	15.3%
Wholesale trade	148	2.9%	1,116	2.9%	1,863	2.8%
Retail trade	444	8.7%	4,468	11.4%	7,447	11.1%
Transportation/warehouse	222	4.4%	1,578	4.0%	2,641	3.9%
Information	54	1.1%	456	1.2%	1,480	2.2%
Finance/ins/RE/rental	218	4.3%	2,299	5.9%	2,659	4.0%
Prof/scientific/administrative	311	6.1%	2,018	5.2%	3,973	5.9%
Ed/health/soc services	1,289	25.3%	8,715	22.3%	20,615	30.6%
Art/ent./rec/food	289	5.7%	2,173	5.6%	5,460	8.1%
Other (ex. public admin)	206	4.1%	1,395	3.6%	2,754	4.1%
Public administration	234	4.6%	1,589	4.1%	2,188	3.3%

Table 3.3 – Occupation Employment in the LTA in 2020. Total civilian employed population 16 years and over. Table: INDUSTRY|2020 5-Year ACS: DP3037

4   RETAIL SUPPLY

CG conducted a windshield survey in the fall of 2021, as well as an online research of retail businesses within the Waseca LTA to observe business types and vacancies. Key observations of large retail development are summarized in this section. No attempt has been made to capture every retail center within the Waseca LTA; however, this summary captures many of the substantial competitors in the local marketplace.

4.1   Retail Background

Retail has historically developed in downtown Waseca centered near the intersection of State Street and Elm Avenue (Old US 14) which is located north of the railroad tracks and the train depot. Before widespread use of the automobile, this was the starting off point for people coming into Waseca when arriving by train.

The retail mix of Waseca's downtown was fairly typical of smaller Minnesota towns with mercantile stores, department stores, apparel retailers, catalog retailers, shoe stores, and Five-and-Dime stores. Up until 1986, downtown Waseca still had a JCPenney store, as JCPenney was starting to consolidate downtown locations to larger sites or mall locations in places such as Mankato, Faribault, and Rochester. During the 1970's, downtown retailers included JCPenney, Montgomery Ward (catalog), Wolf's, Guyer & Larson, Ben Franklin, and Sampsons

Shoes to name a few. Downtown still remains vibrant as the retail mix has shifted to more boutique retailers and restaurants. Even Domino's Pizza has chosen a downtown store front and has adapted it to their business model of take out or delivery pizza.

In the early 1980's retail started to shift from downtown to the north along State Street, closer to where the current high school sits. The newer retail is much more 'auto-centric' with banks/credit unions, Quick Service Restaurants (QSR's or fast food), grocery stores, general merchandise retailers, specialty retailers, and big box retailers. This is evident with retailers such as Bomgaars (farm & ranch), McDonald's, Burger King, Dollar Tree and Walmart. While Waseca has been successful in attracting some retailers, there have been some challenges, as both Taco John's and Dollar General have closed locations a few years back as well as Hy-Vee recently leaving the market. This leaves a gap in terms of a full-service grocery store other than Walmart and some food items at Dollar Tree. In the gas station/convenience store (C-Store) segment, both Iowa based Casey's and Wisconsin based Kwik Trip has seen success in Waseca with the opening of second locations for each retailer. Figure 4.1 identifies the current retail scene on the north side of Waseca.

Figure 4.1 – Existing retail scene north of downtown Waseca

4.2   Overview of exiting retail centers in Waseca

There are four primary retail nodes north of downtown. The Walmart node (2103 N State St) is the healthiest, with North Ridge Plaza (120 - 220 17th Ave NE) which includes Dollar Tree and Pizza Ranch doing "okay". Struggling nodes include the former Hy-Vee (1230 – 1300 N State St) and the former Dollar General (2000 N State St). These nodes are identified in Figure 4.2.

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Figure 4.2 – Addresses of retail nodes north of downtown Waseca

The tables on the next page provide a snapshot of each of these retail nodes, including year built, current tenants, vacancies, and possible lease rates. There are not a lot of retail lease spaces currently on the market in Waseca to calculate current or recommended lease rates, as CG looked at similar centers in Faribault, Mankato and Owatonna, to get comparable lease rates.

1230 – 1300 N State St
Center Overview
An older retail center built in in the 1980's, which initially attracted larger retail tenants like a grocery store and a general merchandise retailer.   Decent visibility off of State St, with 9,200 AADT's
1230 - The former Hy-Vee store site that is currently vacant. Building was constructed in 1988. Space is approximately 33,000 SF.
1300 - The former Walmart site that is currently occupied by Bomgaars. Building was constructed in 1986. Space is approximately 41,000 SF.
Vacancy
The Hy-Vee space is partially vacant except for a liquor store leasing out a portion.
Most of the in-line spaces appear to be occupied
Selected Lease Rates
Appropriate lease rate is in the neighborhood of $8-$12 SF/YR. (Looked at comparable centers in Faribault, Owatonna, and Mankato)

Table 4.1 – Retail/Vacancy Snapshot at 1230 – 1300 N State Street

North Ridge Plaza -- 120 - 220 17th Ave NE
Center Overview
An older retail center built in in the 1970's, which initially attracted small to mid-size retail tenants like a small grocery store or general merchandise retailer.   Decent visibility off of State St, with 9,200 AADT's
120 - Occupied by Dollar Tree. The site was developed in 1977. Space is approximately 14,600 SF
132 - Occupied by TEAM Academy Charter School. The site was developed in 1977. Space is approximately 17,500 SF.
Vacancy
Most of the in-line spaces appear to be vacant, with the outlier being Pizza Ranch.
Selected Lease Rates
Appropriate lease rate is in the neighborhood of $8-$12 SF/YR. (Looked at comparable centers in Faribault, Owatonna, and Mankato)

Table 4.2 – Retail/Vacancy Snapshot at North Ridge Plaza, 120 – 220 17th Ave NE

2000 N State St
Center Overview
A standalone store that was formerly a Dollar General.   Decent visibility off of State St, with 9,200 AADT's
This site was developed in 2006. Space is approximately 9,100 SF.
Vacancy
Site is currently vacant.
Selected Lease Rates
Appropriate lease rate is in the neighborhood of $8-$12 SF/YR. (Looked at comparable centers in Faribault, Owatonna, and Mankato)

Table 4.3 – Retail/Vacancy Snapshot at North Ridge Plaza, 2000 N State Street

Walmart Center -- 2103 N State St	
Center Overview	
	This site is currently occupied by Walmart. This site was built in 2005. Space is approximately 101,000 SF Good visibility off of State St, with 9,200 AADT's
	Out parcel currently occupied by O'Reilly Auto Parts. Space is approximately 6.700 SF
Vacancy	
	No vacancies at this time
Selected Lease Rates	
	Appropriate lease rate is in the neighborhood of $10-$14 SF/YR. (Looked at comparable centers in Faribault, Owatonna, and Mankato)

Table 4.4 – Retail/Vacancy Snapshot at the Walmart Center, 22103 N State Street

5   RETAIL DEMAND

CG estimated the potential demand for new economic activity in the Waseca LTA, based on spending patterns using Sales Tax data as a proxy. There are a variety of data sets that try and estimate consumer spending by economic sector; however, with the Covid-19 pandemic, finding accurate data has been challenging. CG has found that Sales Tax data from the Minnesota Department Revenue by city and by NAICS (North American Industrial Classification System), seemed to be the most reliable and accurate. Since this analysis does not include locations that are across state lines, the Minnesota Department Revenue data was found to work well. CG pulled Sales Tax data for the years 2017, 2018, 2019, and 2020. Data for the years 2021 and 2022 were not available.

5.1   Retail Demand Background

To get an accurate understanding of retail demand for Waseca, CG ran the analysis of Waseca against surrounding retail nodes.   These include Albert Lea, Blue Earth, Faribault, Mankato/N. Mankato, Northfield/Dundas, Owatonna, and Saint Peter, as these are competing centers for the Waseca consumer, shown in Table 5.1. Communities with larger populations generally attract stronger retail activity.

City	Population (2021)	2020 Per Cap Income
Albert Lea	18,301	$27,857
Blue Earth	3,128	$29,553
Faribault	24,298	$26,095
Mankato/N. Mankato (combined)	59,149	$36,614
Northfield/Dundas (combined)	22,331	$30,455
Owatonna	26,647	$35,198
Saint Peter	12,066	$27,422
Waseca	9,221	$28,113
Total	175,141	$241,307
Minnesota	5,742,036	$38,881

Table 5.1 – Communities around Waseca, including population (ACS), and Per Capita Income

Spending potential by merchandise type was converted to square feet of store space based on sales per square foot standards derived from the Urban Land Institute's *Dollars and Cents of Shopping Centers* publication.

Potential demand is based on two sources. The first, "leakage," or existing unmet demand for retail goods by current market area households that is now being met outside of the market area. Existing demand is found by comparing retail supply (i.e., estimated retail sales or Sales Tax revenue) with retail demand (i.e. the expected amount spent by market area residents based on consumer expenditure patterns). When demand outweighs supply, a leakage occurs, indicating that consumers are spending outside of the market area for retail goods or services. This comparison provides a reasonable indication of the availability of goods in the local market. The second source of demand is "future demand," or demand based on projected household growth and spending patterns in the market area over a given time frame.

CG ran the "leakage" analysis for eight different consumer spending groups which includes Motor Vehicle and Parts Dealers; Building Material, Garden Equipment and Supplies Dealers; Food and Beverage Stores (grocery stores or supermarkets not including convenience stores); Gasoline Stations (includes convenience stores); General Merchandise stores; Amusement, Gambling, and Recreation Industries; Accommodations for travelers; and Food Services and Drinking Places. Table 5.2 lists the 3-Digit NAICS for each of the consumer spending groups.

NAICS – 3-Digit Code	Description
441	Motor Vehicle and Parts Dealers
444	Building Material, Garden Equipment and Supplies Dealers
445	Food and Beverage Stores (grocery stores or supermarkets not including convenience stores)
447	Gasoline Stations (includes convenience stores)
452	General Merchandise stores (dollar stores Walmart, etc.)
713	Amusement, Gambling, and Recreation Industries
721	Accommodations for travelers
722	Food Services and Drinking Places

Table 5.2 – NAICS 3-Digit Codes and Descriptions

5.2   Unmet Retail Demand/Leakage

Motor Vehicle and Parts Dealers: NAICS 441 is the code for "Motor Vehicle and Parts Dealers." As one would expect, larger communities with more population tend to be a draw for car dealership clustering, though there are a few outliers. With the Mankato are having the largest population, it ranked 2nd in motor vehicle sales, with Albert Lea (intersection of I-90 and I-35) providing the strongest pull (financed) for motor vehicle sales, as shown in Table 5.3. Faribault showed stronger revenue compared to Owatonna, though both Faribault and Owatonna are influenced by the pull of Rochester to the east. While the Motor Vehicle and Parts revenue numbers were respectable for Waseca (Waseca Chrysler and Demi Ford/Lincoln, used car dealerships, and auto parts stores – Napa and O'Reilly), there is leakage of approximately $15 million to other communities. This will be a tough number to overcome, as people will travel to a community with several dealerships to do comparative shopping. Continued dealership realignment/consolidation may play a role in the future, in terms of new car dealership potential. Figures 5.1 and 5.2 respectively show the approximate geographic pull and surplus/leakage for Motor Vehicle and Parts Dealers. There may be the opportunity to grow this sector with an additional used car dealership. The two auto parts stores currently serve the market well.

Motor Vehicle and Parts Dealers (NAICS-441)										
City	2017-Rev	2020-Rev	2020-2017 Diff	MS-2017	MS-2020	Chg MS	PF-2020	PS (Pot. Rev)	Pot. MS	Surplus/Leakage	Rank
Albert Lea	$201,017,720	$185,504,450	-$15,513,270	24.4%	20.2%	-4.2%	3.98	$69,956,319	9.1%	$115,548,131	1
Blue Earth	$512,785	$4,661,685	$4,148,900	0.1%	0.5%	0.4%	0.55	$12,684,872	1.6%	-$8,023,188	7
Faribault	$110,902,370	$115,255,971	$4,353,601	13.4%	12.5%	-0.9%	1.99	$87,005,280	11.3%	$28,250,691	3
Mankato	$310,947,216	$415,406,449	$104,459,233	37.7%	45.2%	7.5%	2.10	$297,175,065	38.6%	$118,231,384	2
Northfield	$45,097,582	$42,433,519	-$2,664,063	5.5%	4.6%	-0.8%	0.68	$93,322,112	12.1%	-$50,888,593	6
Owatonna	$134,205,391	$122,895,741	-$11,309,650	16.3%	13.4%	-2.9%	1.43	$128,701,643	16.7%	-$5,805,902	4
Saint Peter	$3,453,738	$12,758,180	$9,304,442	0.4%	1.4%	1.0%	0.42	$45,402,548	5.9%	-$32,644,368	8
Waseca	$19,030,870	$20,191,871	$1,161,001	2.3%	2.2%	-0.1%	0.85	$35,571,567	4.6%	-$15,379,696	5
Total	$825,167,672	$919,107,866	$93,940,194					$769,819,406			
Minnesota	$19,646,295,483	$20,388,794,964									

Table 5.3 – NAICS 441 - Motor Vehicle and Parts Dealers
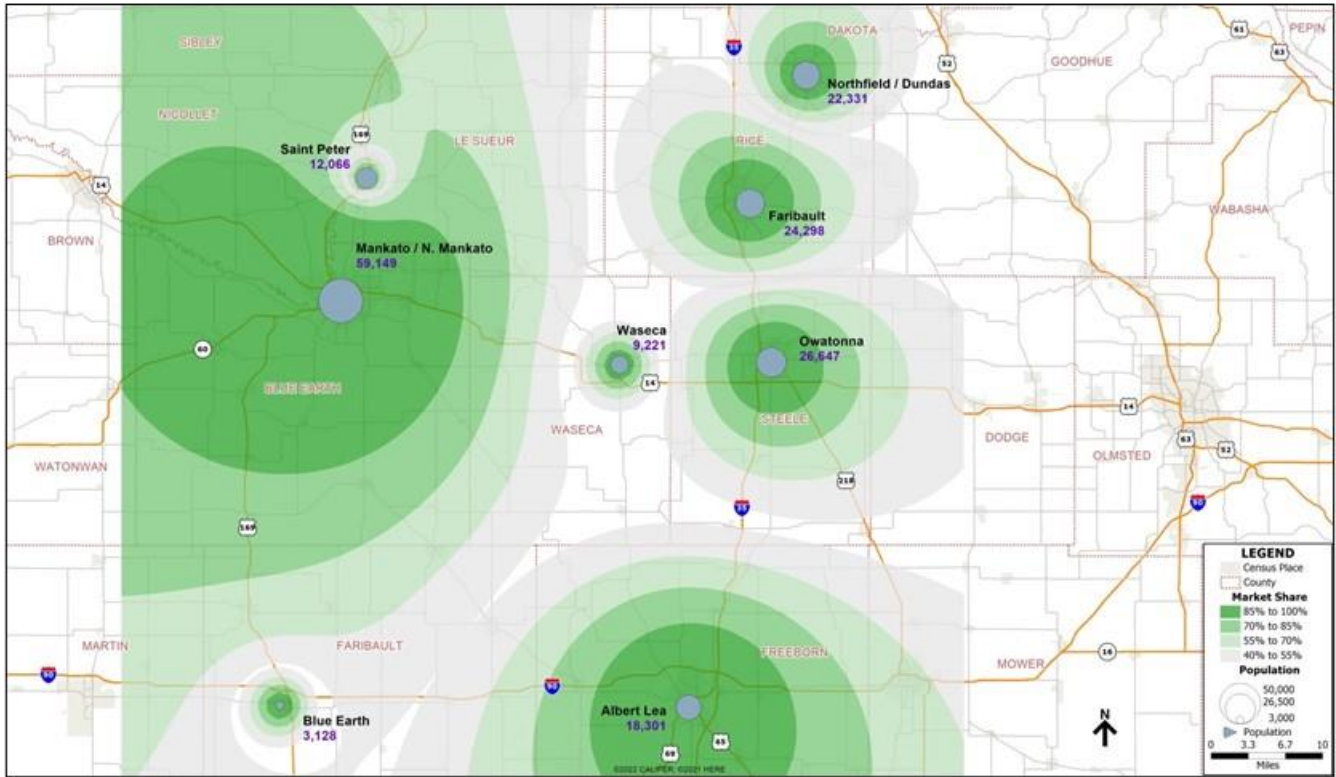
Figure 5.1 – Geographic pull for NAICS 441 - Motor Vehicle and Parts Dealers

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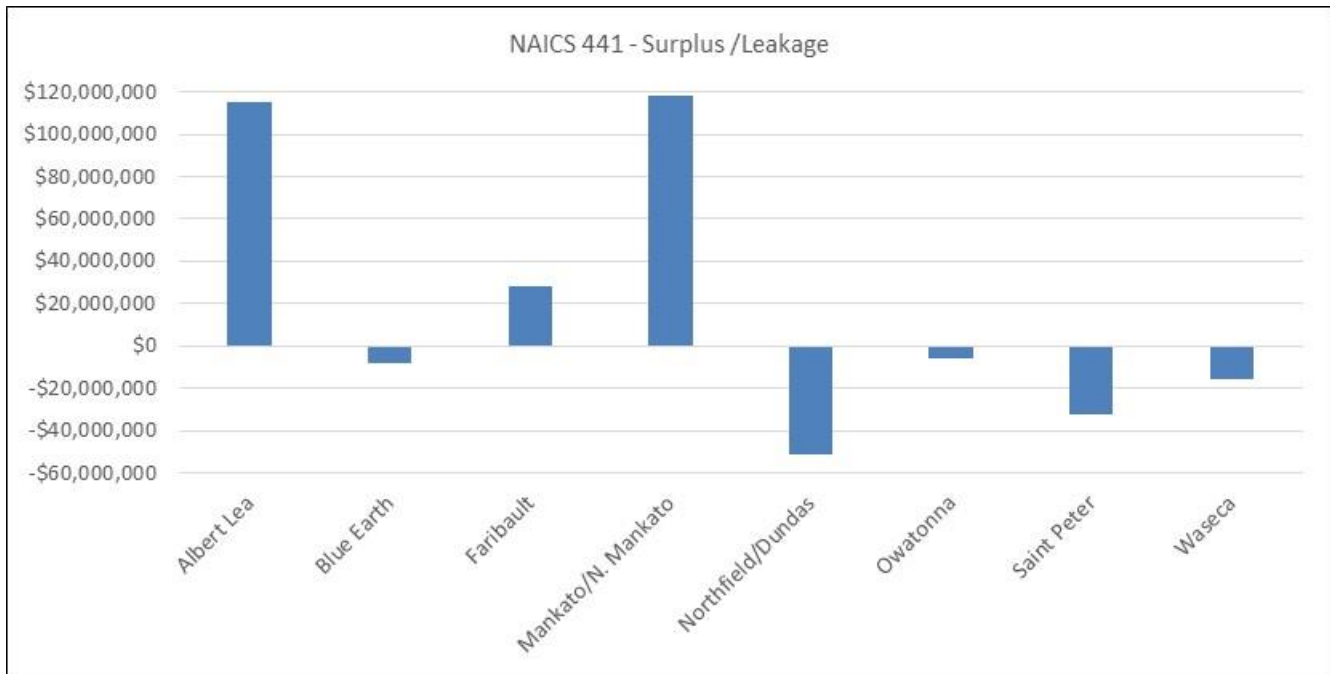
Figure 5.2 – Surplus/Leakage for NAICS 441 - Motor Vehicle and Parts Dealers

Building Material, Garden Equipment and Supplies Dealers: NAICS 444 is the code for "Building Material, Garden Equipment and Supplies Dealers." This segment includes hardware stores (i.e. Ace, True Value, Do it Best, etc.), lumber yards, and home centers (i.e. Home Depot, Lowes, etc.).   Both population and home ownership are draws for these types of retail opportunities. Revenue numbers are shown in Table 5.4. A surprise here was Blue Earth, which pulls strong for home improvement relative to its population. Albert Lea and Mankato pulls well with Home Depot and Owatonna with Lowes. Faribault ranked 6, as residents are most likely going to Lowes in Owatonna or Northfield/Dundas (Menards). While there is leakage in this segment for Waseca, there may be an opportunity to capture some of that with an expansion of the ACE Hardware Store in downtown Waseca. Both Bomgaars and Walmart in Waseca carry a selection of home improvement products (paint, hardware, etc.), so that need may be somewhat met in Waseca, though not captured accurately through sales tax receipts. If local prices and selection are comparable other big box chains, people will generally shop local. Figures 5.3 and 5.4 respectively show the approximate geographic pull and surplus/leakage for Building Material, Garden Equipment and Supplies Dealers.

Building Material, Garden Equipment and Supplies Dealers (NAICS-444)										
City	2017-Rev	2020-Rev	2020-2017 Diff	MS-2017	MS-2020	Chg MS	PF-2020	PS (Pot. Rev)	Pot. MS	Surplus/Leakage	Rank
Albert Lea	$72,662,926	$79,684,100	$7,021,174	27.5%	27.6%	0.2%	3.70	$27,831,767	9.1%	$51,852,333	1
Blue Earth	$9,663,414	$8,784,922	-$878,492	3.7%	3.0%	-0.6%	2.25	$5,046,612	1.6%	$3,738,310	2
Faribault	$13,751,653	$16,107,711	$2,356,058	5.2%	5.6%	0.4%	0.60	$34,614,610	11.3%	-$18,506,899	6
Mankato	$111,915,112	$118,069,424	$6,154,312	42.3%	40.9%	-1.4%	1.29	$118,229,595	38.6%	-$160,171	3
Northfield	$9,000,000	$8,500,000	-$500,000	3.4%	2.9%	-0.5%	0.30	$37,127,730	12.1%	-$28,627,730	8
Owatonna	$33,405,081	$43,598,936	$10,193,855	12.6%	15.1%	2.5%	1.10	$51,203,297	16.7%	-$7,604,361	4
Saint Peter	$6,224,304	$7,537,662	$1,313,358	2.4%	2.6%	0.3%	0.54	$18,063,174	5.9%	-$10,525,512	7
Waseca	$7,861,532	$6,148,613	-$1,712,919	3.0%	2.1%	-0.8%	0.56	$14,151,968	4.6%	-$8,003,355	5
Total	$264,484,022	$288,431,368	$23,947,346					$306,268,752			
Minnesota	$8,039,411,088	$9,433,287,998									

Table 5.4 – NAICS 444 - Building Material, Garden Equipment and Supplies Dealers
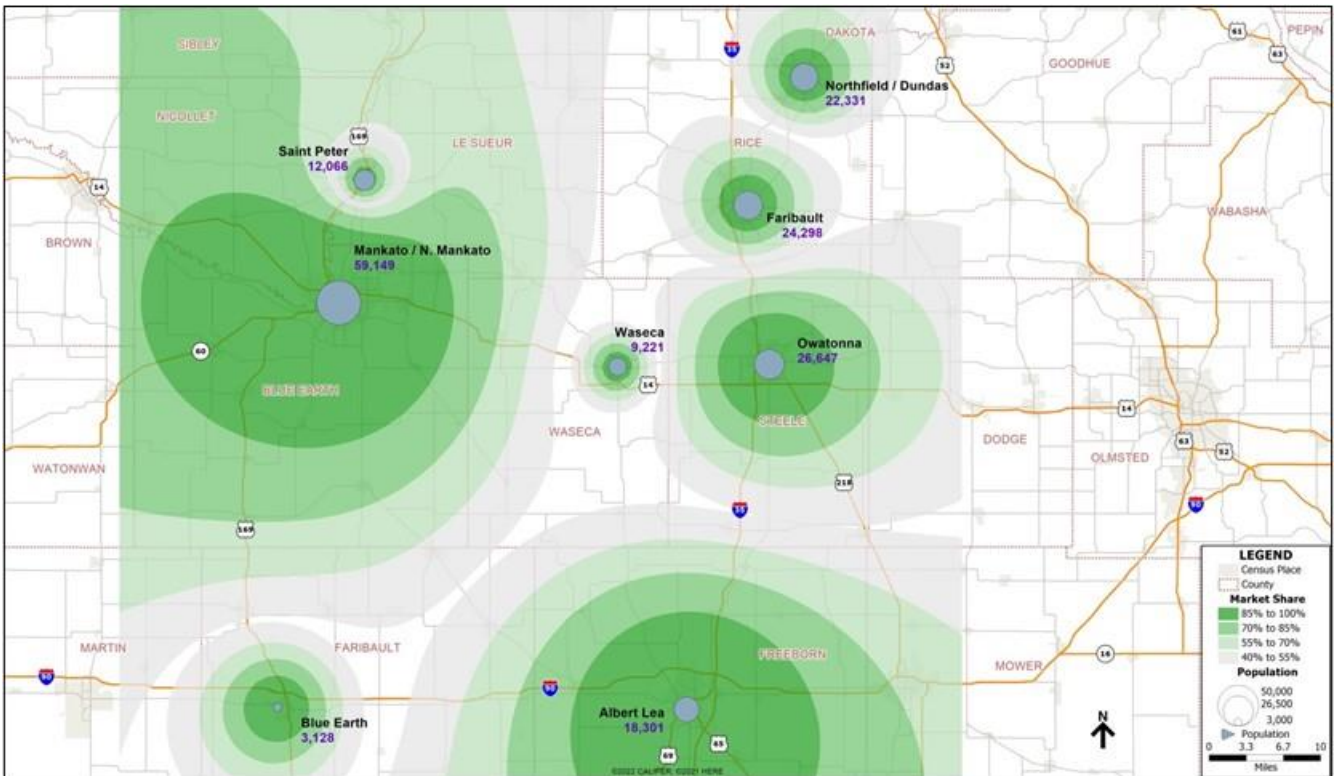
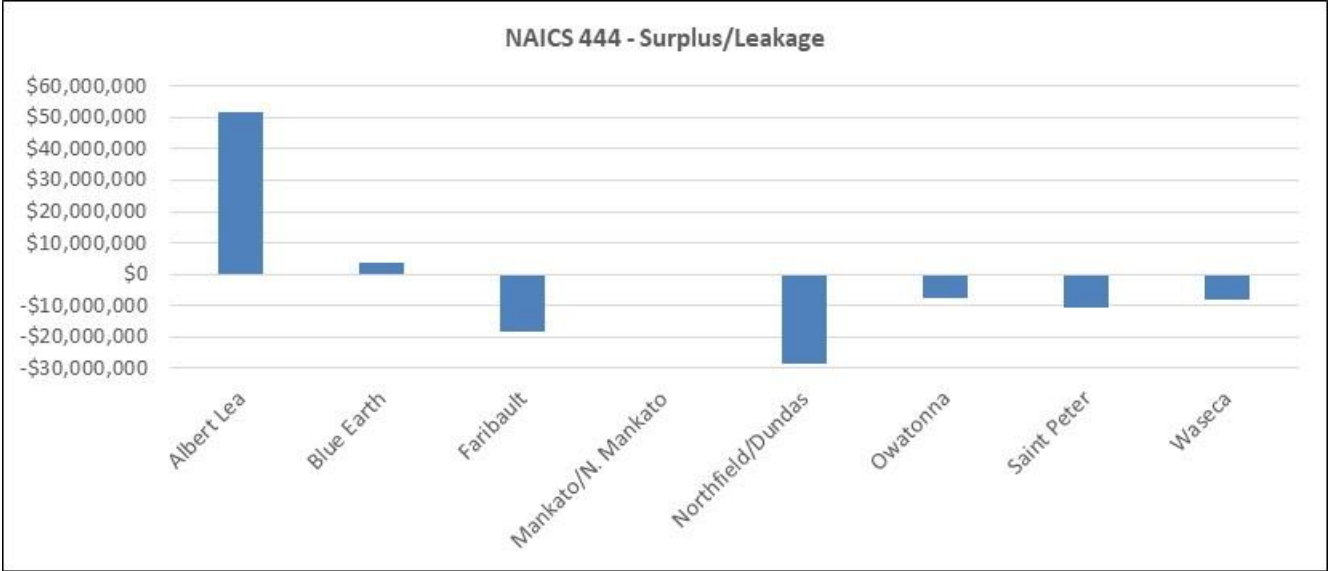**Figure 5.3** – Geographic pull for NAICS 444 - Building Material, Garden Equipment and Supplies Dealers

Figure 5.4 – Surplus/Leakage for NAICS 444 - Building Material, Garden Equipment and Supplies Dealers

Food and Beverage Stores: NAICS 445 is the code for "Food and Beverage Stores," (grocery stores or supermarkets not including convenience stores). As one would expect, population and households are the draw for grocery retailers. Revenue numbers are shown in Table 5.5. This plays out in the analysis with Mankato, Faribault and Owatonna, all having the largest populations in the region and showing the strongest surplus in this retail segment. In this segment, Waseca is ranked 8th, with a leakage of approximately $17 million. Currently, the primary grocery retailer in Waseca is Walmart. Up until 2018, Waseca was also served by a 33,000 Square Foot Hy-Vee store at 1230 N State Street since 1988. It appears that this store had a 30-year lease and

was not renewed in 2018. With the leakage Waseca has in the grocery segment, this would be a good location for another grocery retailer such as Fareway Stores or Aldi to consider. Figures 5.5 and 5.6 respectively show the approximate geographic pull and surplus/leakage for grocery. Figure 5.7 shows competing grocers as well as the 1-, 3-, and 5-mile buffer around 1230 N State Street, and the respective populations.

Fareway Stores: According to Fareway Stores real estate website (https://www.fareway.com/about/real-estate), Fareway requires a minimum population of 5,000 people within a 5-mile radius. Waseca has a population 11,106 people within a 5-mile radius. Fareway stores are generally 25,000 square feet in size, and would be a good match for this location. There are currently Fareway Stores in both Faribault and Owatonna, so this region is already familiar with Fareway Stores and the products they offer. Also, this area is well served by their distribution center, which is based out of Boone Iowa.

Aldi: According to Aldi's real estate website (https://corporate.aldi.us/en/real-estate/property-requirements/), Aldi requires a dense trade area population, and a minimum vehicle of 20,000 ADT's (Average Daily Trips). Currently, North State Street is a bit shy of 10,000 ADT's. Aldi stores are generally 17,000 to 18,000 square feet in size, and may be as large as 22,000 square feet. Aldi already has stores in surrounding communities as well as a strong presence in the MSP. Aldi has a Distribution Center in Faribault, so a store in Waseca would be well served.

Food & Beverage Stores (NAICS-445)										
City	2017-Rev	2020-Rev	2020-2017 Diff	MS-2017	MS-2020	Chg MS	PF-2020	PS (Pot. Rev)	Pot. MS	Surplus/Leakage	Rank
Albert Lea	$54,055,464	$56,659,672	$2,604,208	9.9%	9.4%	-0.5%	1.55	$52,790,480	9.1%	$3,869,192	5
Blue Earth	$10,190,685	$10,824,411	$633,726	1.9%	1.8%	-0.1%	1.63	$9,572,266	1.6%	$1,252,145	4
Faribault	$84,784,278	$91,796,221	$7,011,943	15.5%	15.2%	-0.3%	2.02	$65,655,978	11.3%	$26,140,243	2
Mankato	$200,402,314	$234,511,206	$34,108,892	36.6%	38.9%	2.3%	1.51	$224,254,429	38.6%	$10,256,777	1
Northfield	$57,927,246	$66,296,032	$8,368,786	10.6%	11.0%	0.4%	1.36	$70,422,789	12.1%	-$4,126,757	7
Owatonna	$83,698,847	$97,625,752	$13,926,905	15.3%	16.2%	0.9%	1.45	$97,120,913	16.7%	$504,839	3
Saint Peter	$31,244,653	$36,010,556	$4,765,903	5.7%	6.0%	0.3%	1.52	$34,261,699	5.9%	$1,748,857	6
Waseca	$25,077,393	$9,512,576	-$15,564,817	4.6%	1.6%	-3.0%	0.51	$26,843,038	4.6%	-$17,330,462	8
Total	$547,380,880	$603,236,426	$55,855,546					$580,921,592			
Minnesota	$14,058,780,470	$16,017,408,413									

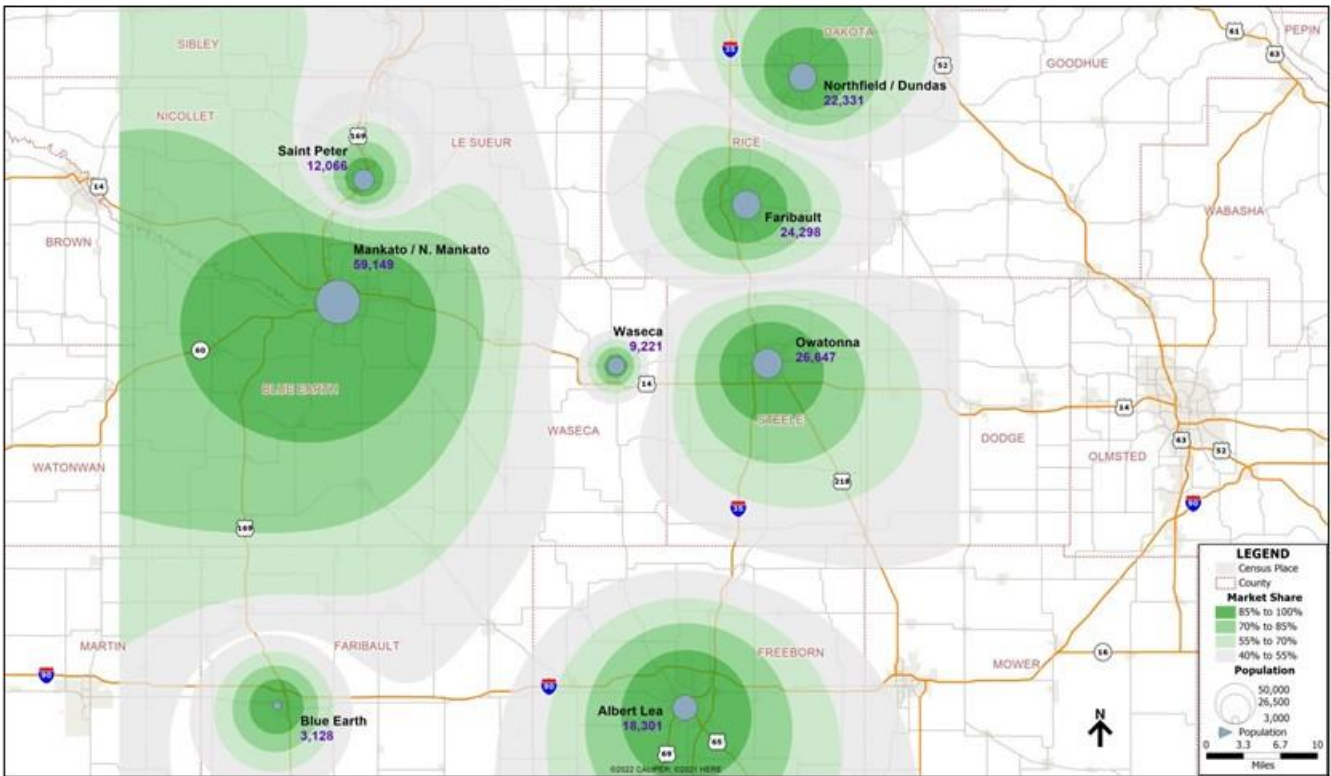**Table 5.5** – NAICS 445 – Food & Beverage Stores

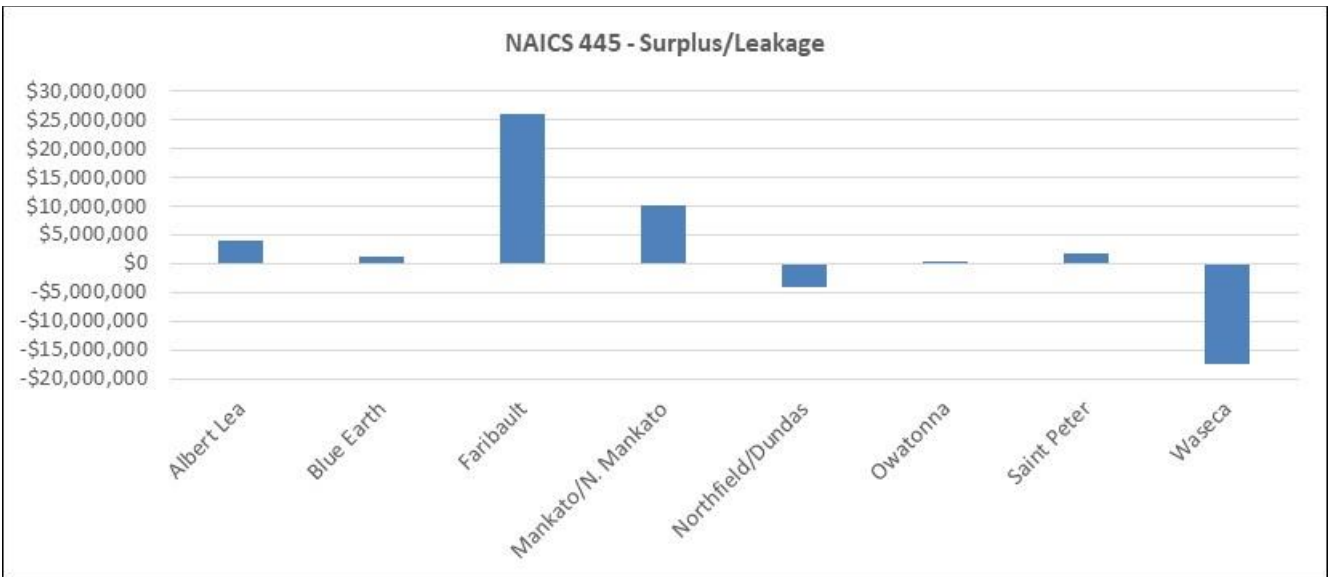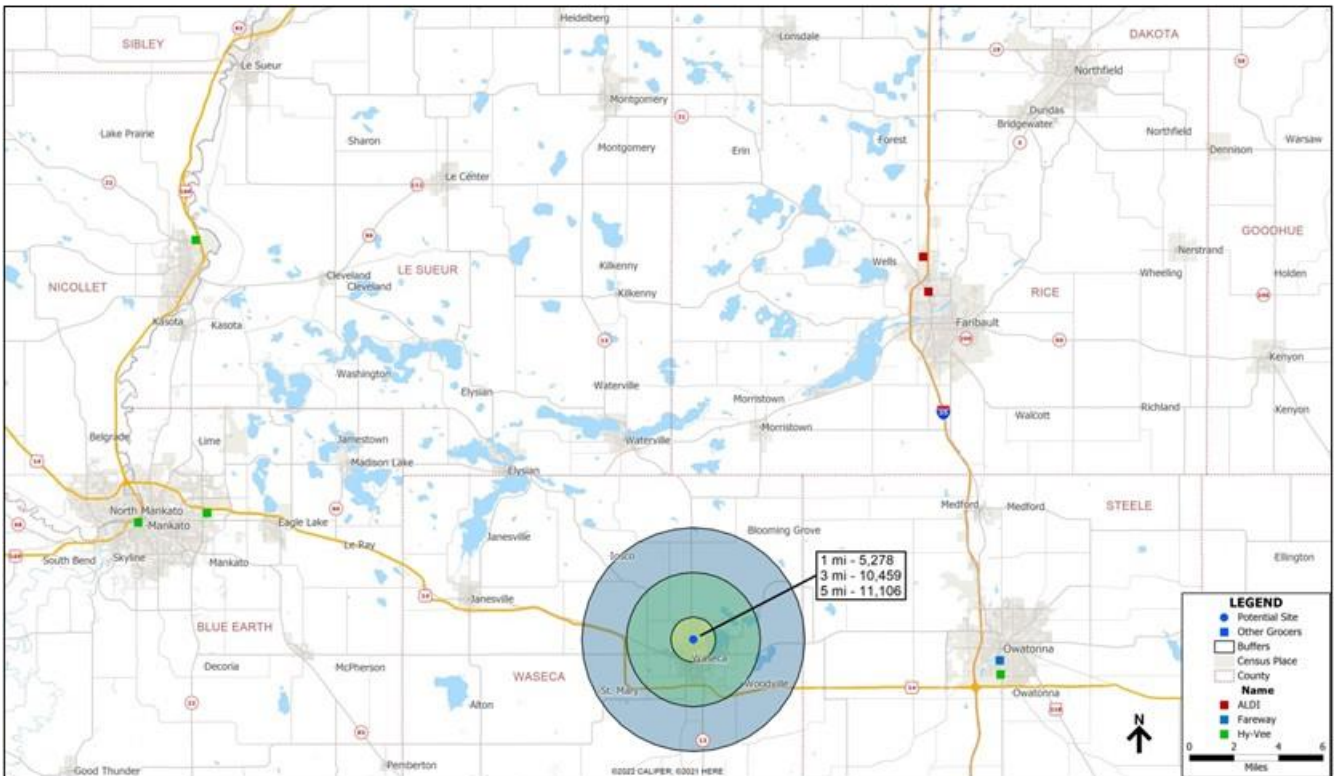**Figure 5.5** – Geographic pull for NAICS 445 – Food & Beverage Stores

Figure 5.6 – Surplus/Leakage for NAICS 445 – Food & Beverage Stores

Figure 5.7 – Competing grocers that would be applicable to Waseca. Also show is the 1, 3, 5-mile buffer around 1230 N State Street, and the respective population.

Gasoline Stations: NAICS 447 is the code for "Gasoline Stations," which includes convenience stores. Sales at fueling stations (including convenience stores) are based on a few factors including; the resident population and households, daytime population (people coming in for work), and the general traveling public who may be passing through. As expected, communities located on either I-90 or I-35 showed the strongest revenues in this segment as evident in Albert Lea, Blue Earth, and Owatonna. Communities located on US-14 do "okay" but less so due to geographic isolation.   Revenue numbers are shown in Table 5.6. Waseca does "okay" in this segment, though there is some additional market share to capture. Both Casey's (formerly Casey's General Store) and Kwik Trip are friendly competitors and dominate the fueling station/convenience store segment in this region, with some grocery retailers (i.e., Hy-Vee) offering fuel sales. Both chains offer a wide assortment of items in their convenience store which draw in repeat customers. A truck stop/travel center (i.e. Pilot, Love's, etc.), or large scale fueling center could be attractive at one of the US-14 "gateway" interchanges in Waseca, though further analysis is warranted. Figures 5.8 and 5.9 respectively show the approximate geographic pull and surplus/leakage for gasoline stations.

City	2017-Rev	2020-Rev	2020-2017 Diff	MS-2017	MS-2020	Chg MS	PF-2020	PS (Pot. Rev)	Pot. MS	Surplus/Leakage	Rank
Albert Lea	$101,702,380	$97,119,732	-$4,582,648	27.3%	27.6%	0.3%	5.26	$41,643,784	9.1%	$55,475,948	1
Blue Earth	$15,673,576	$14,248,705	-$1,424,871	4.2%	4.1%	-0.2%	4.25	$7,551,085	1.6%	$6,697,620	2
Faribault	$31,167,626	$27,278,349	-$3,889,277	8.4%	7.8%	-0.6%	1.19	$51,792,736	11.3%	-$24,514,387	8
Mankato	$89,208,150	$87,760,436	-$1,447,714	24.0%	25.0%	1.0%	1.12	$176,903,166	38.6%	-$89,142,730	6
Northfield	$35,072,423	$32,252,434	-$2,819,989	9.4%	9.2%	-0.2%	1.31	$55,553,036	12.1%	-$23,300,602	7
Owatonna	$62,423,018	$58,724,924	-$3,698,094	16.8%	16.7%	-0.1%	1.73	$76,613,858	16.7%	-$17,888,934	3
Saint Peter	$27,144,298	$19,982,421	-$7,161,877	7.3%	5.7%	-1.6%	1.67	$27,027,350	5.9%	-$7,044,929	4
Waseca	$9,891,110	$14,222,894	$4,331,784	2.7%	4.0%	1.4%	1.51	$21,175,137	4.6%	-$6,952,243	5
Total	$372,282,581	$351,589,895	-$20,692,686					$458,260,152			
Minnesota	$8,695,947,615	$8,093,018,913									

Table 5.6 – NAICS 447 – Gasoline Stations

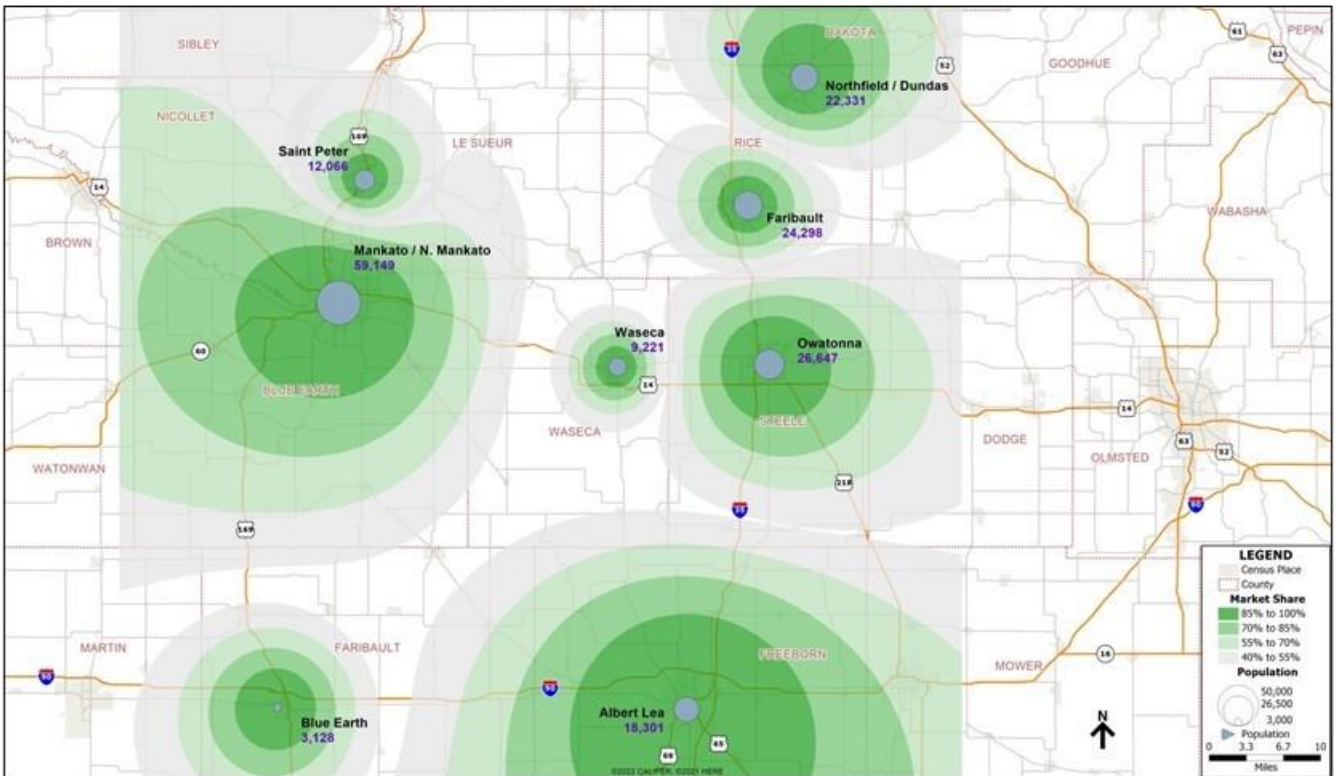Waseca, MN – Retail & Lodging Market Analysis – ©2023 – Cardinal Geographics

Figure 5.8 – Geographic pull for NAICS 447 – Gasoline Stations
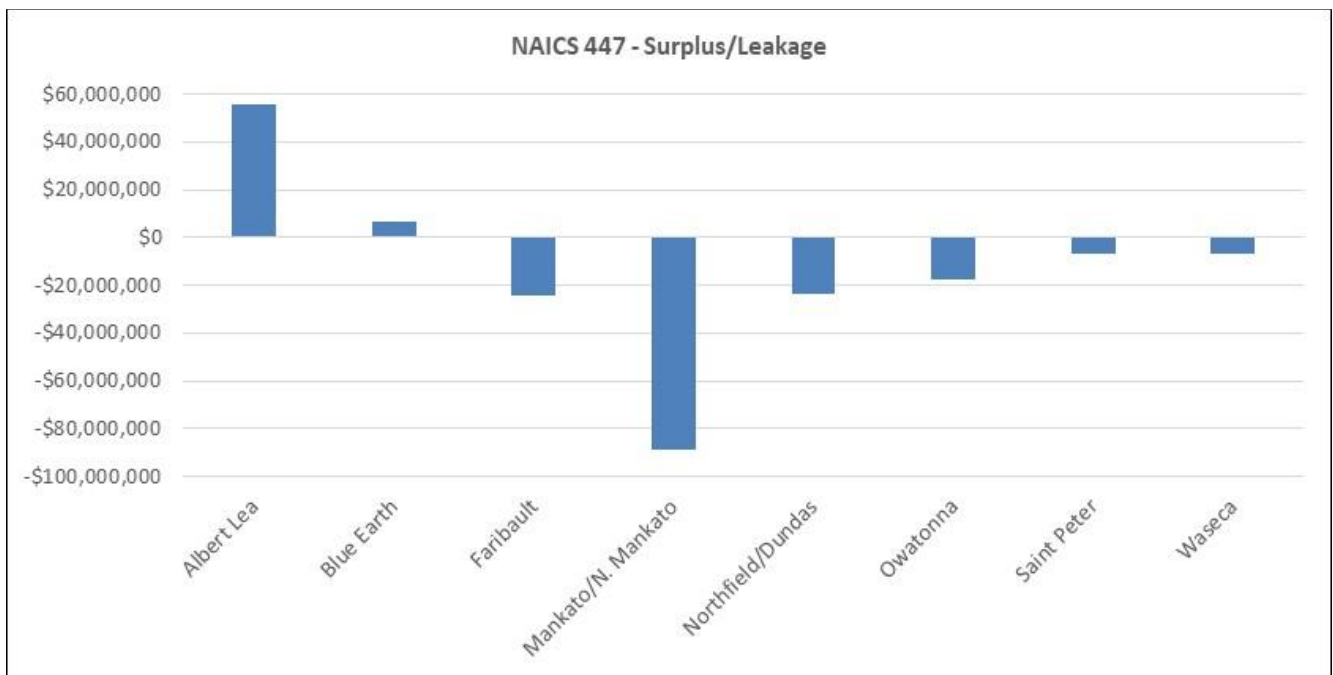
Figure 5.9 – Surplus/Leakage for NAICS 447 – Gasoline Stations

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General Merchandise Retailers: NAICS 452 is the code for "General Merchandise Retailers." Generally speaking, General Merchandise Retailers are the "catch all" for retail establishments that don't fit any other retail categories. This segment includes big box stores like Walmart, Target, Meijer and Big Lots, as well as smaller stores such as Dollar General, Family Dollar, Dollar Tree, and Five Below. In this segment, as expected the larger populated centers of Faribault, Owatonna and Mankato do well. One surprise is that Waseca does well in this category between both Walmart and Dollar Tree with an overall surplus of $11 million. Revenue numbers are shown in Table 5.7. There is an opportunity to do even better in this sector by getting another general merchandise retailer in the former Dollar General space located at 2000 N State Street. While Dollar General pulled out of this market 2016, this location/site would be good fit for a similar retailer such as Five Below which already has locations in Mankato, Austin, and Rochester as well as in the MSP area. Another suggestion is a small-scale pharmacy merchandiser, or even an Ulta Beauty. Another option is to subdivide the space for a hair salon and some complementary tenant (i.e., Sally Beauty). Another option is a store that caters to the nearby outdoor recreation opportunities. Figures 5.10 and 5.11 respectively show the approximate geographic pull and surplus/leakage for General Merchandise Retailers.
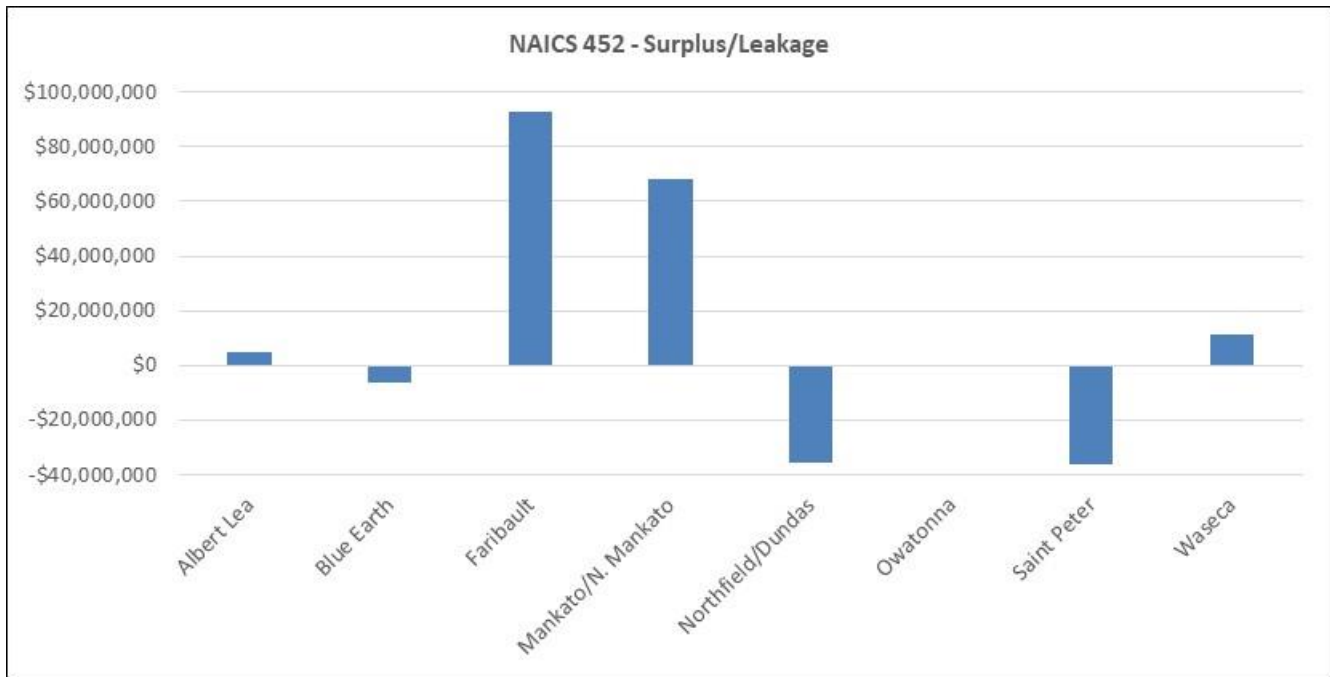
General Merchandise (NAICS-452)										
City	2017-Rev	2020-Rev	2020-2017 Diff	MS-2017	MS-2020	Chg MS	PF-2020	PS (Pot. Rev)	Pot. MS	Surplus/Leakage	Rank
Albert Lea	$80,067,546	$84,373,537	$4,305,991	12.5%	8.7%	-3.9%	2.66	$79,386,867	9.1%	$4,986,670	5
Blue Earth	$5,500,000	$8,000,400	$2,500,400	0.9%	0.8%	0.0%	1.39	$14,394,872	1.6%	-$6,394,472	7
Faribault	$74,362,337	$191,602,574	$117,240,237	11.7%	19.7%	8.0%	4.86	$98,734,136	11.3%	$92,868,438	1
Mankato	$302,889,961	$405,606,304	$102,716,343	47.5%	41.7%	-5.8%	3.02	$337,236,120	38.6%	$68,370,184	2
Northfield	$22,000,000	$70,268,948	$48,268,948	3.4%	7.2%	3.8%	1.66	$105,902,515	12.1%	-$35,633,567	6
Owatonna	$104,394,433	$145,535,462	$41,141,029	16.4%	15.0%	-1.4%	2.50	$146,051,428	16.7%	-$515,966	4
Saint Peter	$9,972,396	$15,181,409	$5,209,013	1.6%	1.6%	0.0%	0.74	$51,523,096	5.9%	-$36,341,687	8
Waseca	$38,820,841	$51,808,073	$12,987,232	6.1%	5.3%	-0.8%	3.22	$40,366,836	4.6%	$11,441,237	3
Total	$638,007,514	$972,376,707	$334,369,193					$873,595,871			
Minnesota	$13,128,074,689	$13,867,374,317									

Table 5.7 – NAICS 452 – General Merchandise
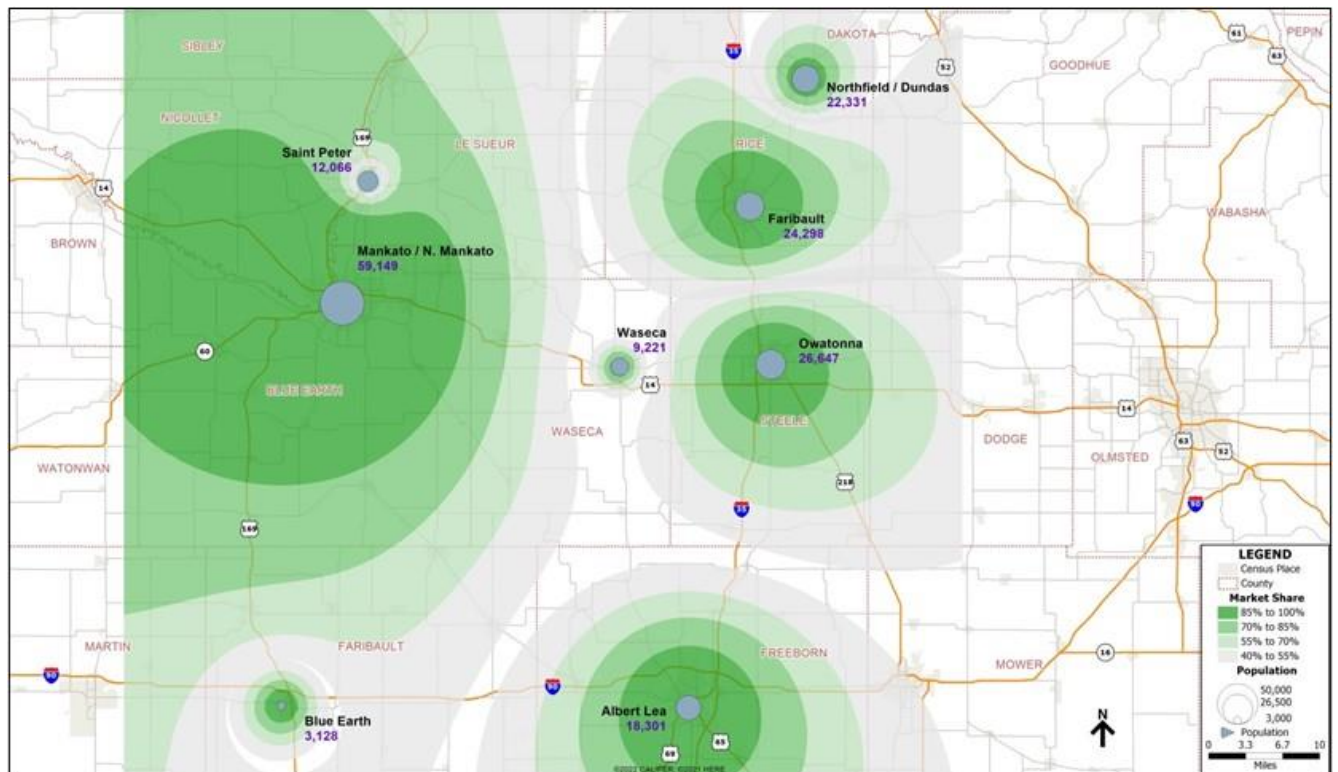
Figure 5.10 – Geographic pull for NAICS 452 – General Merchandise Retailers

NAICS 452 - Surplus/Leakage

Figure 5.11 – Surplus/Leakage for NAICS 452 – General Merchandise Retailers

Amusement, Gambling, and Recreation Industries: NAICS 713 is the code for "Amusement, Gambling, and Recreation Industries." This category was chosen for analysis to see if the nearby lakes could be a contributing factor to the local economy. Examples in this sector include amusement parks, golf courses, sporting events, marinas, resorts, and other attractions. Mankato took the biggest hit in this category with many event closures at Minnesota State University, as shown in Table 5.8. In this category Waseca seems to hold its own, though there may be additional opportunities to capitalize on the lakes and other destination event attractions. Waseca already has a start here with both the Mill Event Center and the Starfire Event Center, which hosts a variety of regional gatherings and is used as wedding venues. There are opportunities to work with the Waseca Area Chamber of Commerce to help grow this sector through local, regional, and national marketing and advertising. Opportunities to capitalize on hockey? Work with Minnesota State University to establish men's/women's rowing/crew club or sport and offer one of the lakes for practice and events in the spring, summer or fall. Figures 5.12 and 5.13 respectively show the approximate geographic pull and surplus/leakage for Amusement, Gambling, and Recreation Industries.

Amusement (NAICS-713)										
City	2017-Rev	2020-Rev	2020-2017 Diff	MS-2017	MS-2020	Chg MS	PF-2020	PS (Pot. Rev)	Pot. MS	Surplus/Leakage	Rank
Albert Lea	$1,317,186	$887,762	-$429,424	4.8%	5.4%	0.6%	0.20	$1,423,513	9.1%	-$535,751	6
Blue Earth	$550,000	$500,000	-$50,000	2.0%	3.1%	1.0%	0.62	$258,119	1.6%	$241,881	2
Faribault	$2,282,322	$1,769,284	-$513,038	8.3%	10.8%	2.5%	0.32	$1,770,435	11.3%	-$1,151	5
Mankato	$16,152,641	$7,297,971	-$8,854,670	58.8%	44.6%	-14.3%	0.38	$6,047,095	38.6%	$1,250,876	3
Northfield	$600,000	$500,000	-$100,000	2.2%	3.1%	0.9%	0.08	$1,898,974	12.1%	-$1,398,974	7
Owatonna	$5,849,268	$4,463,440	-$1,385,828	21.3%	27.2%	5.9%	0.54	$2,618,897	16.7%	$1,844,543	1
Saint Peter	$250,000	$211,275	-$38,725	0.9%	1.3%	0.4%	0.07	$923,878	5.9%	-$712,603	8
Waseca	$453,919	$750,440	$296,521	1.7%	4.6%	2.9%	0.33	$723,831	4.6%	$26,609	4
Total	$27,455,336	$16,380,172	-$11,075,164					$15,664,742			
Minnesota	$2,152,953,090	$1,959,063,756									

Table 5.8 – NAICS 713 – Amusement, Gambling, and Recreation Industries
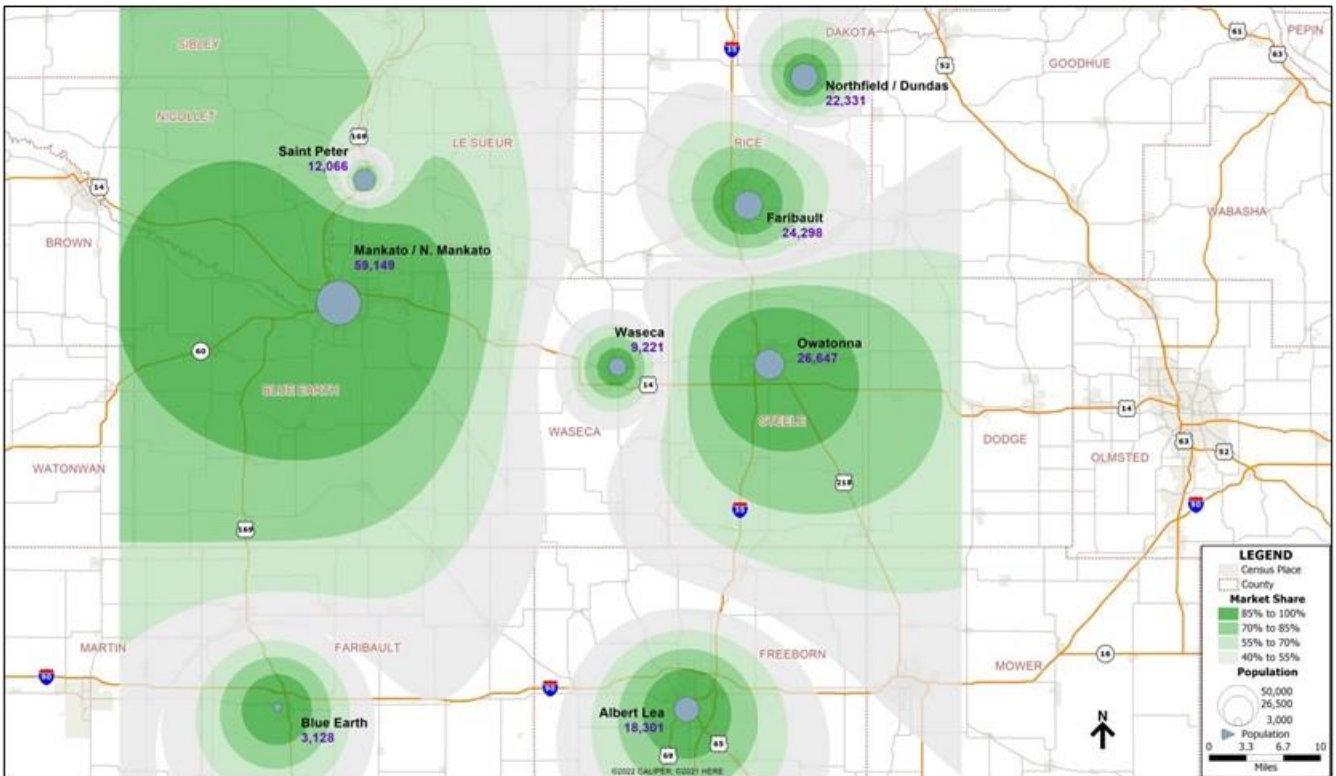
Figure 5.12 – Geographic pull for NAICS 713 – Amusement, Gambling, and Recreation Industries
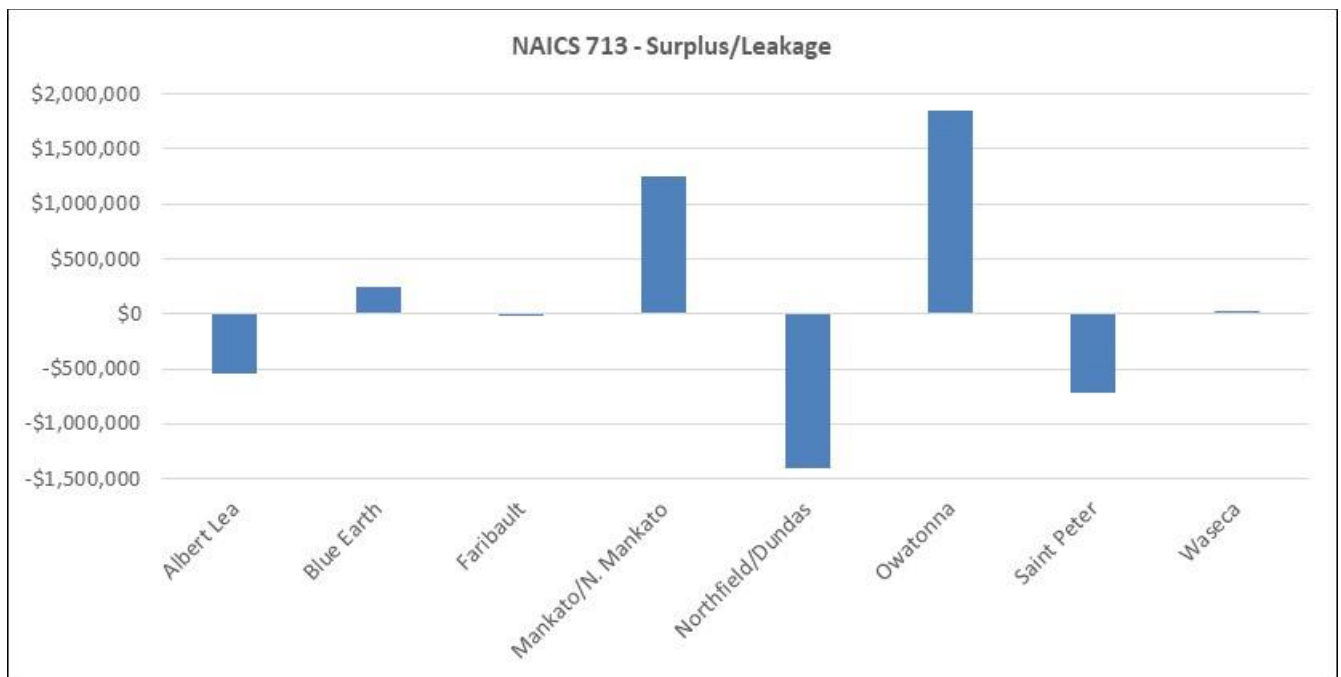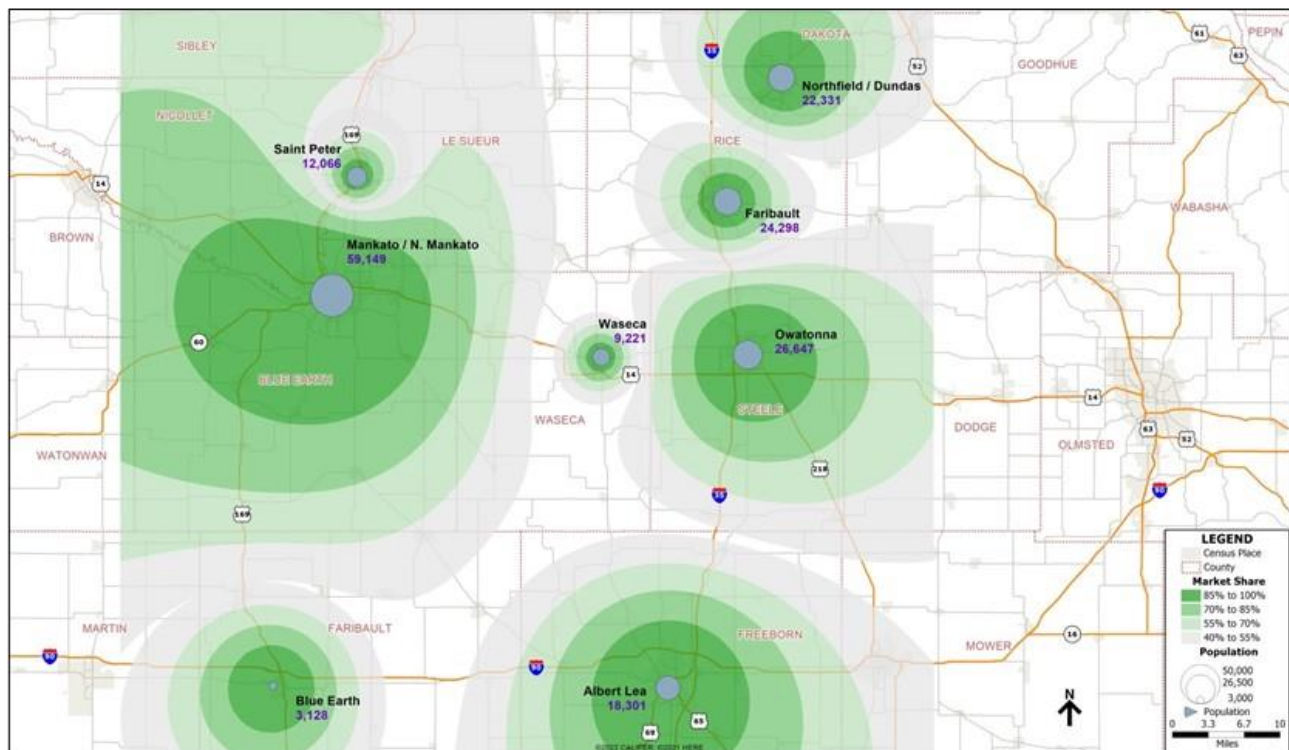

Figure 5.13 – Surplus/Leakage for NAICS 713 – Amusement, Gambling, and Recreation Industries

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Accommodations for Travelers: NAICS 721 is the code for the "Accommodations or Lodging" sector.   This sector includes hotels and motels designed for the overnight traveler.   All communities took a hit in this sector between 2017 and 2020 with the Covid-19 pandemic as travel came to a standstill. The communities of Albert Lea and Blue Earth pull stronger than their respective population base, as this would be expected along the I-90 corridor. On the I-35 corridor, Owatonna pulls stronger than Faribault. Mankato does above average in this sector; however, the Mankato area is leaking approximately $2 million in lodging revenue dollars. Seasonality of activities, athletics, commencement, and conferences plays a role in terms of occupancy variation by month. Table 5.9 shows revenues in this segment. The community of Saint Peter also does "okay" this segment with the attraction of Gustavus Adolphus College. The average occupancy rate in southern Minnesota during the 2022 calendar was 52.3%, which was on was a bit below occupancy rates prior to the Covid-19 pandemic. Waseca currently has two hotels with a total of 88 rooms. These two motels target the Economy and Midscale Class lodging sectors. If lodging demand increases (or spillover benefit from activities in Mankato), there may be the opportunity to either expand the capacity at one of the hotels, or add a 3rd midscale lodging establishment in the neighborhood of 30-50 rooms. Section 6 of this report goes into more detail in the accommodations/lodging segment.   Figures 5.14 and 5.15 respectively show the approximate geographic pull and surplus/leakage for accommodations/lodging.

City	2017-Rev	2020-Rev	2020-2017 Diff	MS-2017	MS-2020	Chg MS	PF-2020	PS (Pot. Rev)	Pot. MS	Surplus/Leakage	Rank
Albert Lea	$7,128,618	$4,737,297	-$2,391,321	13.3%	14.8%	1.5%	1.43	$3,400,833	9.1%	$1,336,464	2
Blue Earth	$1,728,425	$1,571,295	-$157,130	3.2%	4.9%	1.7%	2.62	$616,658	1.6%	$954,637	1
Faribault	$3,632,965	$2,449,861	-$1,183,104	6.8%	7.7%	0.9%	0.60	$4,229,645	11.3%	-$1,779,784	7
Mankato	$24,411,424	$12,318,977	-$12,092,447	45.7%	38.6%	-7.1%	0.88	$14,446,769	38.6%	-$2,127,792	4
Northfield	$2,821,596	$2,578,545	-$243,051	5.3%	8.1%	2.8%	0.58	$4,536,730	12.1%	-$1,958,185	5
Owatonna	$11,347,929	$6,078,521	-$5,269,408	21.2%	19.0%	-2.2%	1.00	$6,256,658	16.7%	-$178,137	3
Saint Peter	$1,400,000	$1,378,357	-$21,643	2.6%	4.3%	1.7%	0.64	$2,207,184	5.9%	-$828,827	6
Waseca	$989,174	$800,000	-$189,174	1.9%	2.5%	0.7%	0.48	$1,729,264	4.6%	-$929,264	8
Total	$53,460,131	$31,912,853	-$21,547,278					$37,423,741			
Minnesota	$2,509,877,176	$1,448,732,841									

Table 5.9 – NAICS 721 – Accommodations/Lodging

Figure 5.14 – Geographic pull for NAICS 721 – Accommodations/Lodging

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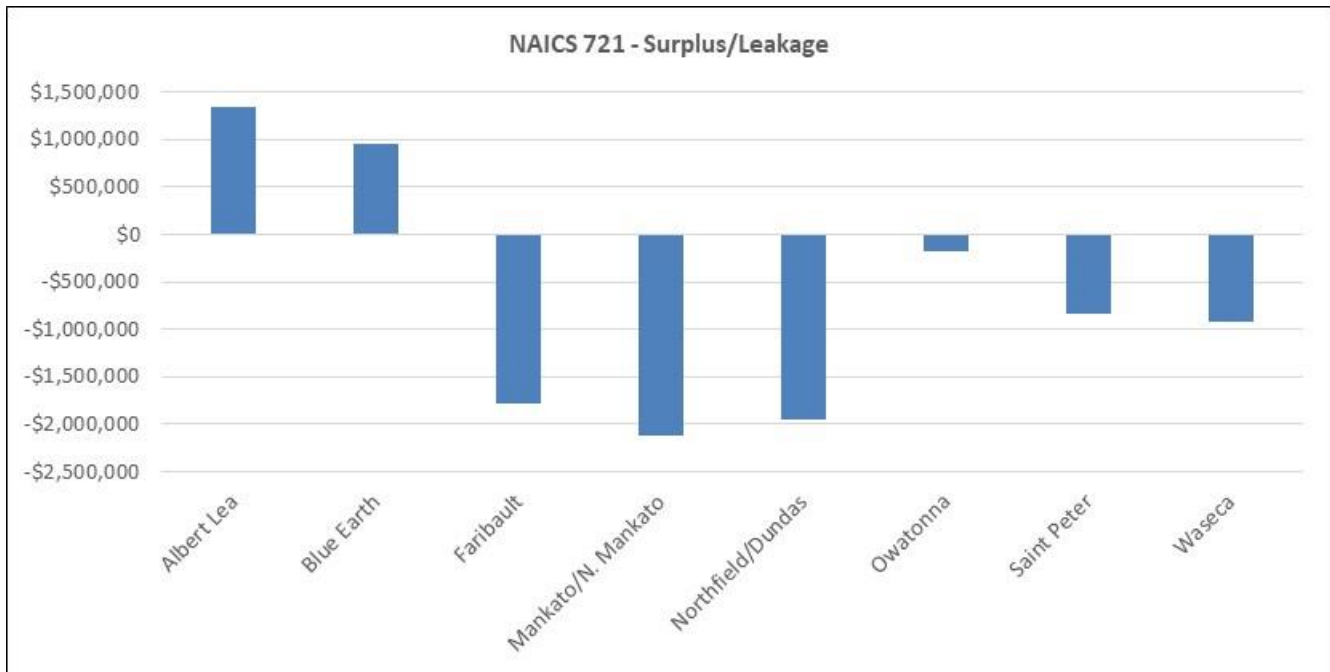Waseca, MN – Retail & Lodging Market Analysis – ©2023 – Cardinal Geographics

Figure 5.15 – Surplus/Leakage for NAICS 721 – Accommodations/Lodging

Food Services and Drinking Places: NAICS 722 is the code for the "Food services and drinking establishments", or the restaurant and bar sector.   Generally, population and the number of households drive this sector. Most communities took a hit in this sector between 2017 and 2020 with the Covid-19 pandemic as eating/drinking out came to a standstill. The communities of Mankato and Northfield are strongest in this sector, which can be attributed to the presence of the respective colleges/universities in those communities.   Table 5.10 shows revenues in this segment. Comparatively speaking, Waseca has had some leakage in this sector (especially outside of fast food), though that is not to say there aren't opportunities to bring in other restaurants either ethnic, locally sourced, or at other price points. Growth will primarily be in locally operated chains (lower overhead) compared to national or larger regional chains. This may be attractive near the US-14/S State Street interchange. Some sit-down chain restaurants such as Applebee's, Denny's, IHOP, Perkins's, etc. will be hard to attract without ample traffic counts or population growth. Other Quick Service Restaurants (QSR) or fast-food restaurants will enter the market as population or traffic counts warrant the entry. Figures 5.16 and 5.17 respectively show the approximate geographic pull and surplus/leakage for food services and drinking places.

City	2017-Rev	2020-Rev	2020-2017 Diff	MS-2017	MS-2020	Chg MS	PF-2020	PS (Pot. Rev)	Pot. MS	Surplus/Leakage	Rank
Albert Lea	$30,873,280	$30,549,944	-$323,336	8.4%	9.7%	1.3%	1.67	$26,472,715	9.1%	$4,077,229	3
Blue Earth	$4,620,000	$4,200,000	-$420,000	1.3%	1.3%	0.1%	1.27	$4,800,181	1.6%	-$600,181	6
Faribault	$35,414,253	$33,928,949	-$1,485,304	9.6%	10.8%	1.2%	1.49	$32,924,345	11.3%	$1,004,604	5
Mankato	$168,170,614	$138,284,557	-$29,886,057	45.7%	44.0%	-1.7%	1.78	$112,456,327	38.6%	$25,828,230	1
Northfield	$48,091,786	$38,893,997	-$9,197,789	13.1%	12.4%	-0.7%	1.59	$35,314,746	12.1%	$3,579,251	2
Owatonna	$51,823,007	$40,775,891	-$11,047,116	14.1%	13.0%	-1.1%	1.21	$48,702,990	16.7%	-$7,927,099	4
Saint Peter	$17,743,557	$16,075,962	-$1,667,595	4.8%	5.1%	0.3%	1.35	$17,181,131	5.9%	-$1,105,169	7
Waseca	$11,049,570	$11,260,951	$211,381	3.0%	3.6%	0.6%	1.21	$13,460,913	4.6%	-$2,199,962	8
Total	$367,786,067	$313,970,251	-$53,815,816					$291,313,348			
Minnesota	$10,000,831,617	$8,016,790,201									

Table title: **Food Services and Drinking Places (NAICS-722)**

Table 5.10 – NAICS 722 – Food Services and Drinking Places

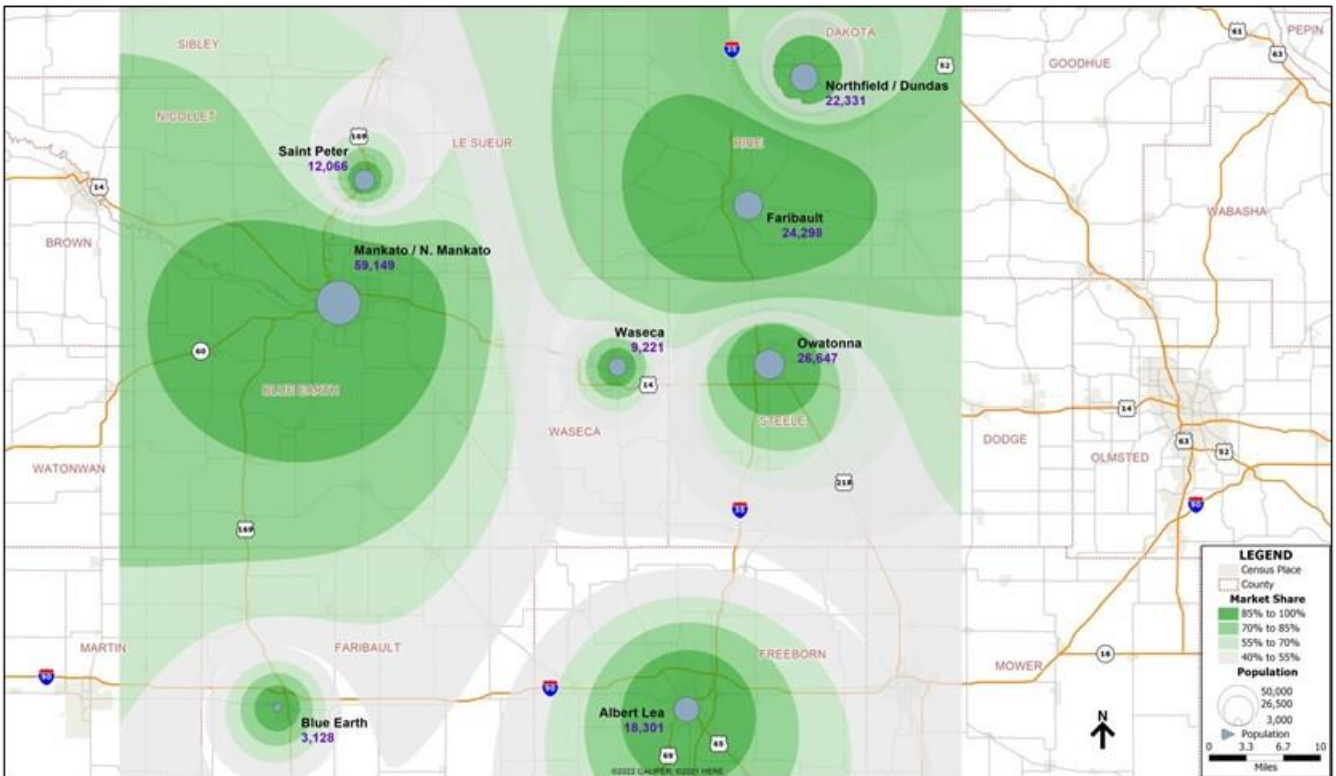Waseca, MN – Retail & Lodging Market Analysis – ©2023 – Cardinal Geographics

Figure 5.16 – Geographic pull for NAICS 722 – Food Services and Drinking Places
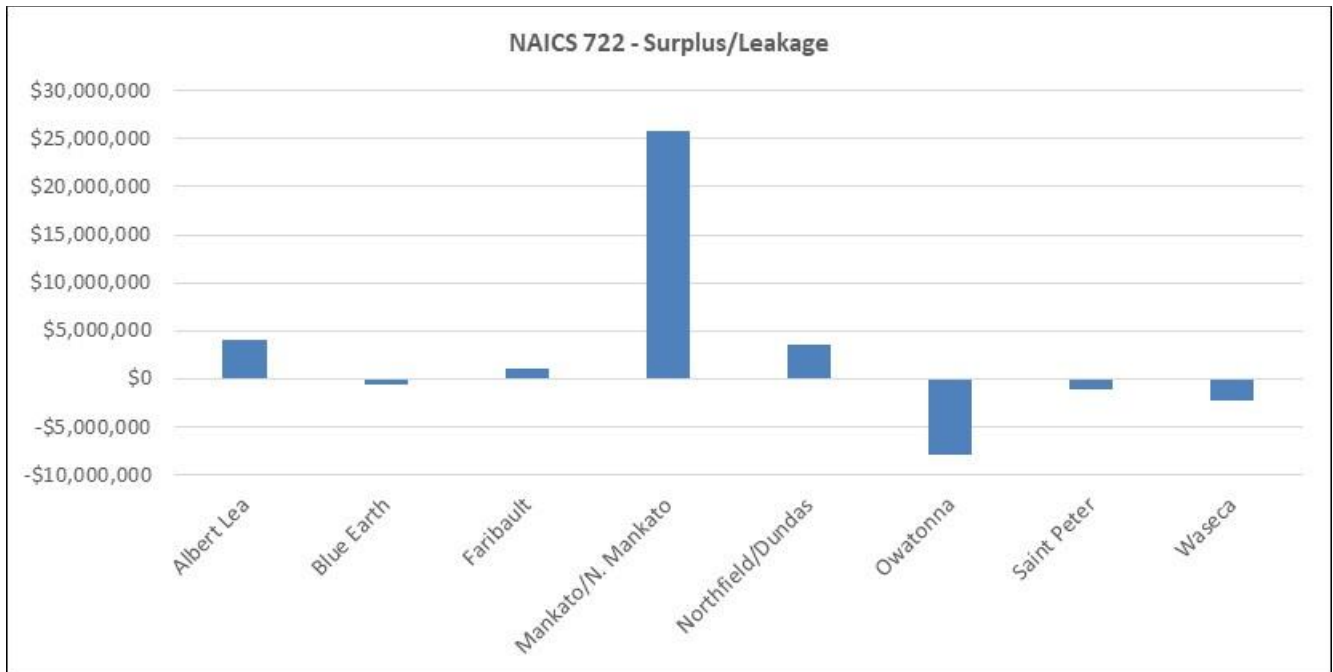

Figure 5.17 – Surplus/Leakage for NAICS 722 – Food Services and Drinking Places

5.2 Retail Demand Summary & Location Quotient

Table 5.11 summarizes the potential new supportable retail space in the next five years (2023-2028). Demand is divided among five merchandise categories: motor vehicle (includes auto parts) hardware (includes lawn and garden), grocery, gas/c-store, general merchandise, and food & beverage (restaurants). Sales per square foot in unavailable for car dealerships, amusement, and lodging (lodging is based on a revenue per room basis).

Location Quotient: One way to quantify how one community is doing compared to another community is through the use of an economic tool called the Location Quotient or LQ. A LQ is an analytical statistic that measures a region's retail/industry or economic specialization relative to a larger geographic unit (region, state or nation). A LQ is computed as an industry's share of a regional total for some economic statistic (sales, taxes, GDP by metropolitan area, employment, etc.) divided by the industry's share of the regional or national total for the same statistic. For example, an LQ of 1.0 in mining means that the region and the nation are equally specialized in mining; while an LQ of 1.8 means that the region has a higher concentration in mining than the nation.

Existing demand within the LTA has the potential to support an additional 122,000 square feet of new or rehabbed retail space, which is on the extreme high end, as a number of around 60,000 is more reasonable. The share of "retail draw" that Waseca shopping areas can capture will depend on several complex and interrelated factors, including: retail outreach efforts, the availability of quality retail-ready space, the performance of competitive shopping areas, and the success of revitalization efforts. A passive or segmented approach would likely result in Waseca achieving only a share of its estimated potential.

Category	Leakage	LQ-2017	LQ-2020	LQ Change	Ind. Stand. $/SqFt	Supportable SqFt
441-Motor Vehicle	-15,379,696	0.44	0.42	-0.02	$309	49,772
444-Hardware	-$8,003,355	0.56	0.40	-0.16	$333	24,034
445-Grocery	-17,330,462	0.87	0.30	-0.57	$485	35,733
447-Gas	-$6,952,243	0.50	0.77	0.27	$425	16,358
452-GenMer	$11,441,237	1.16	1.01	-0.15	$124	(92,268)
713-Amusement	$26,609	0.31	0.87	0.56	n/a	n/a
721-Accommodations	-$929,264	0.35	0.48	0.13	n/a	n/a
722-Food & Bev	-$2,199,962	0.57	0.68	0.11	$175	12,571
Total	-$39,327,136					122,539

Table 5.11 – Leakage of selected sectors as well as potential supportable square footage in the Waseca LTA
Source, Minnesota Department of Revenue

6   BUSINESS MIX

6.1   Overview

A dynamic and growing overall economy in any community requires a balance and mix of uses that includes retail shopping, professional, financial, government services, entertainment, restaurants and personal services. The results of the market analysis indicate that Waseca has a limited opportunity to grow its retail base and fill niches and voids in both the local and regional marketplace.

The following list (Table 6.1) provides potential business opportunity categories for the Waseca LTA, based on the market analysis results. Some of these categories are already represented in the local community, but our analysis indicates these have potential for expansion or enhancement.

This analysis indicates that family-oriented and value-oriented retail offerings are ideal for Waseca. While there are growing disposable incomes within the market, the population will generally be focused on staple goods, with a growing boutique offering segment. Furthermore, it is worth noting that new retail opportunities need to be taken in context of the nearby competing retail destination centers of Mankato, Faribault, and Owatonna.

Opportunities		
Merchandise	• Grocery – fresh, staples • Drugstore – expanded • Bookstore - local • General Merchandise (small building footprint)	• Dollar/value store • Bed/bath/linen/home accessories • Art/fabric/knitting supplies • Apparel and accessories (apparel items that Walmart does not stock)
Restaurant/ Food	• Unique locally sourced (farm to table) • Coffee Kiosk - Caribou Coffee • Quick Service Restaurant	• Family Style Restaurant • Mid-priced dining options • Regional cuisine
Entertainment	• Movie Theater (small)	• Bowling (8 lane)
Health Care Personal Care/ Lodging	• Health/fitness • Extended-stay hotel (maybe) • Upper Midscale	• Niche body/beauty/spa services • Urgent care

Table 6.1 – Target Business/Merchandise Opportunities for Waseca

6.2   Retail Deployment Factors

There are many factors that retailers or retail developers (independent, regional or national) consider when choosing to deploy a new store or retail center: location characteristics, real-estate availability and cost, competitive positioning, and chain-expansion planning. There are several challenges and opportunities associated with Waseca that retailers will weigh when considering deployment, some of which the city can control, others it cannot.

CG determined the top four factors that most retailers/retail chains would consider when evaluating a deployment opportunity in Waseca. These factors influence financial performance (which is ultimately every retailer's primary concern). In order of importance, they are:

1. Trade-area demographic and psychographic composition (i.e., population size, traffic counts, preferred customer, etc.)
2. Existing competition or complementarity within the market
3. Regional accessibility (i.e., highways, distribution centers, etc.)
4. Retail synergy

The order of importance of items 2, 3, and 4 may vary from retailer to retailer. For example, a retailer that sells grocery items may find that the benefit of locating in Waseca is worth it in selecting a customer that may not shop at Walmart and would like a different grocery assortment. For a retailer that sells small-ticket items or everyday staple goods, retail synergy might be the strongest factor.

Regional accessibility can be defined as the ease with which destinations can be reached throughout a region. The proximity of a residence to a destination (i.e. jobs, shopping, and leisure activities), and the transportation links to those destinations together determine accessibility. Retail synergy is the concept that the whole is greater than the sum of the parts. In the extent that a retail location is situated near other retailers, the result is that all of the retailers benefit more than they would if they were each singular at that location.

6.3   Sales Tax

While taxation rates across state lines does not apply to this retail analysis of Waseca, sales tax rates can vary county by county within the same state. In Minnesota, groceries are exempt from sales tax; however, some prepared foods such as deli items may be taxable. The Minnesota Department of Revenue has a handbook that explains how items are taxed. The variation in sales tax rate from county to county in the southern tier of Minnesota has very little variation as most counties have a tax rate of around 7.375% which is fairly close to the state average.

There is leakage from Waseca to the communities of Faribault, Mankato, and Owatonna to varying degrees depending on both the shopping needs and commute patterns for work. If people are driving to Mankato for entertainment or an event at the university, they will mostly likely do some shopping as well. Sales leakages from food, tends to be a very small portion of the overall leakages in a community, as the price point is low, and people will generally not travel very far for increased savings. Unless one is driving to another community for work, people tend to shop local. This is largely because people are creatures of habit and convenience, and they like to shop in stores for which they know the layout, and are on their way home from work and/or close by their place of residence. It should also be noted that the towns such as Janesville, Waterville and Morrisville lack many of the shopping, dining and entertainment venues that are offered in Waseca. However, that potential consumer in Waterville or Morristown could make the drive to Faribault, if they are looking for shopping attractors outside of Walmart or Bomgaars.

6.4   Concluding Comments

Waseca continues to support retail development, though often as a secondary market once markets such as Faribault, Owatonna, and Mankato are saturated. That said, Waseca being the county seat and located along US-14 between the retail centers of Mankato and Owatonna, could make Waseca an attractive infill market, especially the outparcels near Walmart, as Walmart is a great anchor draw. One challenge is sustained population growth, as population in the region has been relatively flat.

Waseca has an opportunity to capitalize on the nearby lakes that surround the community for seasonal tourism and recreational draw, which in turn can support retail. Opportunities to capitalize on the growing event center scene in downtown with both the Starfire Event Center and the Mill Event Center. Both can be used for regional conferences, baby showers, and as a wedding venue.

Effective retail recruitment is a long-term process; in most cases, the time it takes from a retailer being contacted, then becoming interested in the community as a deployment opportunity, to a store being opened can take several years. And though retailers are recovering from the Covid-19 pandemic, and the recent surge in inflation, many remain cautious of retail expansion, especially in small to medium markets.

Because past performance is often the best predictor of future performance, Waseca could see some limited growth and success. Waseca should continue to tout its small-town feel, and access to nearby markets in its

retailer-recruitment materials to show how Waseca works for retail and how the city is a great place in which to live, shop, and recreate.

7   ACCOMODATIONS/LODGING

7.1   Lodging background

The Waseca and surrounding hotel/motel trade area is served by 58 lodging establishments as identified in Table 7.1. As expected, the larger lodging markets are in Mankato (Minnesota State University is the draw for the lodging demand) and communities along both the I-90 and I-35 corridors respectively. Of the communities located along interstate highways, both Albert Lea and Owatonna pull best, as they are both located at the intersection of another major interstate or highway. Northfield has an above par lodging attraction due to the presence of St. Olaf College and Carleton College. CoStar/STR (Smith Travel Research) data breaks out motels/hotels in southern Minnesota by hotels type/class.

City	Economy Class	Midscale Class	Upper Midscale Class	Upscale Class	Total
Albert Lea	5	3	4	0	**12**
Blue Earth	1	1	0	0	**2**
Faribault	4	0	2	0	**6**
Mankato	5	6	4	2	**17**
Northfield	1	2	2	0	**5**
Owatonna	6	2	2	1	**11**
Saint Peter	1	1	1	0	**3**
Waseca	1	1	0	0	**2**
Total	**24**	**16**	**15**	**3**	**58**

Table 7.1 – Number of lodging establishments by hotel class. Data from Co-Star/STR (Smith Travel Research)

Figure 7.1 shows the geographic distribution of lodging establishments as well as the hotel class mix within each community. The rings in shades of green to grey show the "geographic" pull for each lodging market based on the number of establishments in that respective market. As expected, Albert Lea, and Blue Earth pulls really well due to their respective locations along I-90. Mankato and Owatonna due reasonably well in terms of pull. Faribault struggles a bit due to its location between the stronger pulls of Owatonna and Northfield.

Table 7.2 shows the total number of rooms available by lodging class. As expected, the markets with a stronger draw (colleges/universities, or good access from the interstate), have more rooms. CoStar/STR data breaks out motels/hotels in southern Minnesota by hotels type/class.

Figure 7.3 shows the market share for each community by lodging class.   As expected, economy and midscale lodging tend to dominate most markets.   Upper midscale tends to do well in both Mankato and the Albert Lea areas.
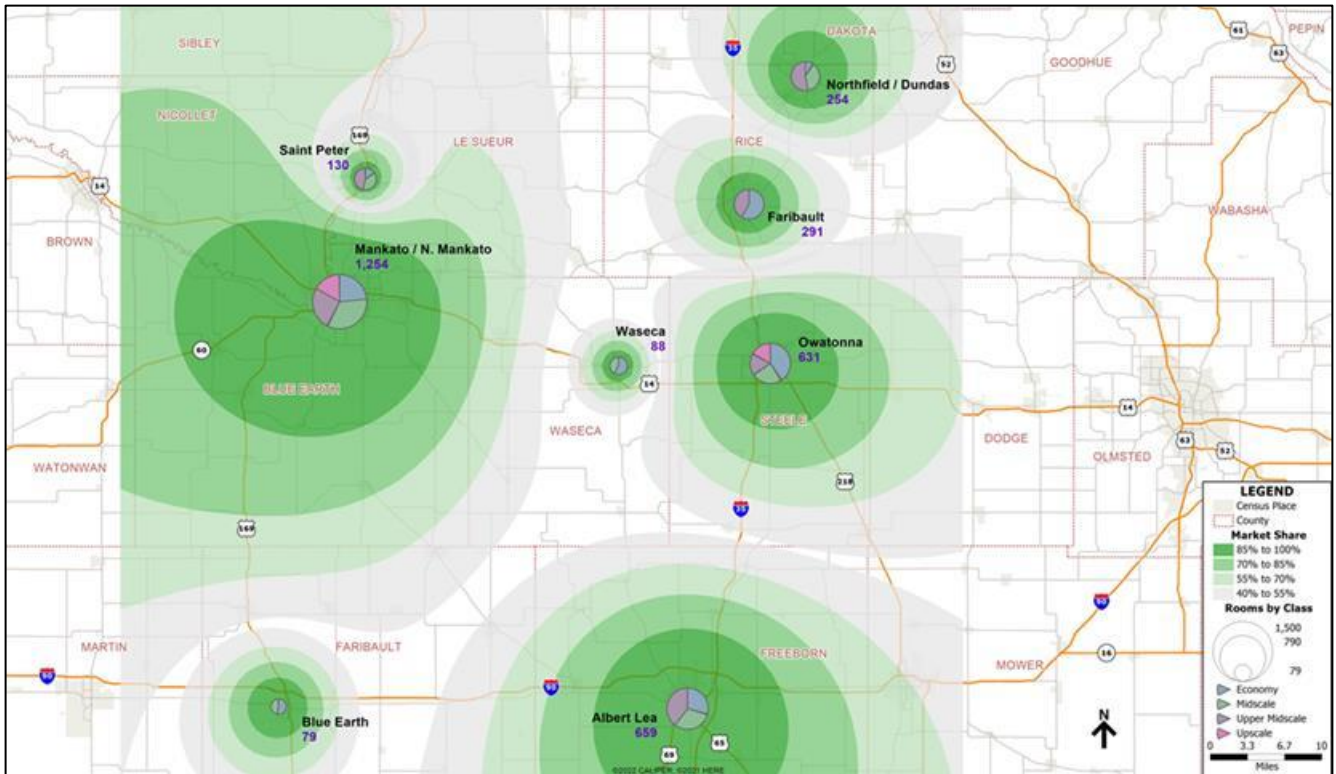
Figure 7.1 – Number of Lodging Establishments by class and location.

City	Economy Class	Midscale Class	Upper Midscale Class	Upscale Class	Total
Albert Lea	196	203	260	0	**659**
Blue Earth	42	37	0	0	**79**
Faribault	170	0	121	0	**291**
Mankato	295	430	318	211	**1,254**
Northfield	24	96	134	0	**254**
Owatonna	260	155	110	106	**631**
Saint Peter	20	50	60	0	**130**
Waseca	51	37	0	0	**88**
Total	**1,058**	**1,008**	**1,003**	**317**	**3,386**

Table 7.2 – Number of rooms by hotel class. Data from Co-Star/STR (Smith Travel Research)

Waseca, MN – Retail & Lodging Market Analysis – ©2023 – Cardinal Geographics
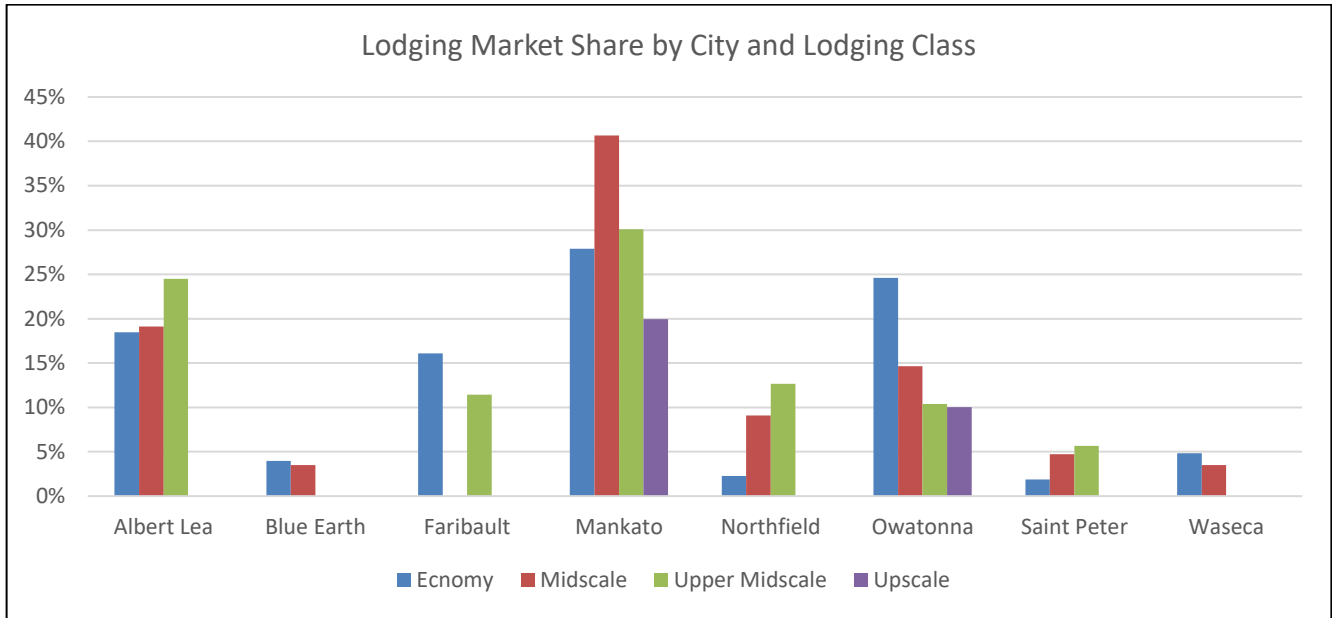
Figure 7.2 – Market Share by community and lodging class.
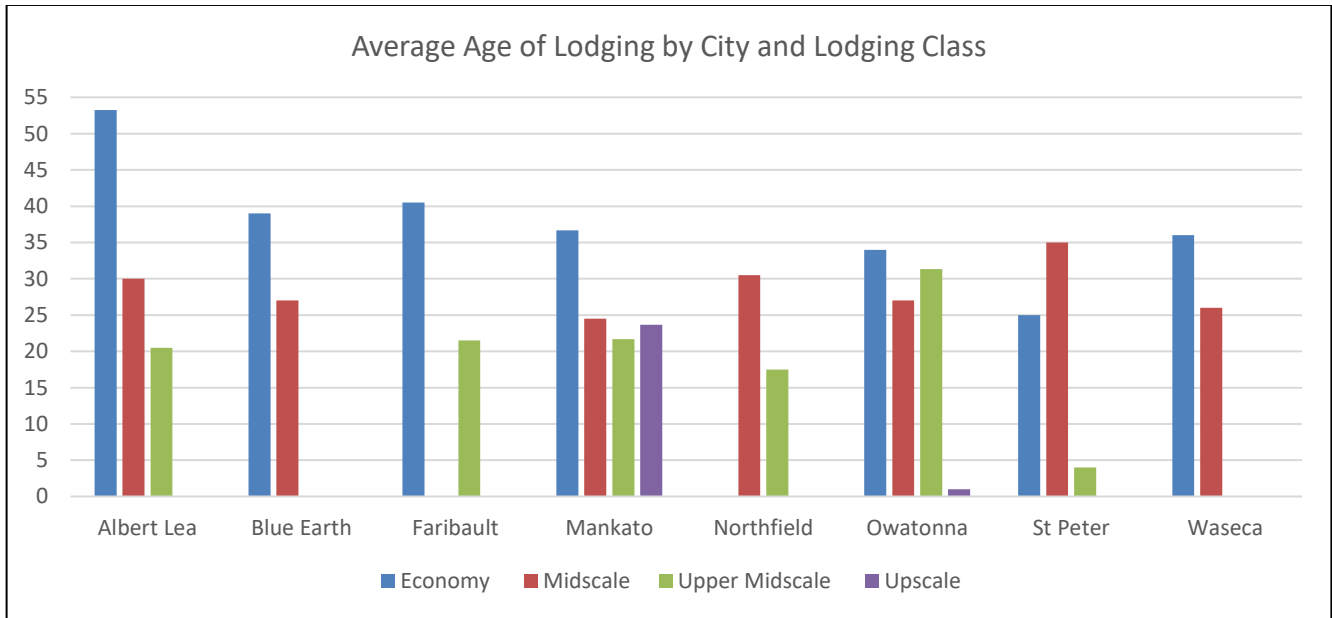
Figure 7.3 – Average age of lodging by community and lodging class.

7.2   Occupancy Rate

The key to any successful lodging establishing is the occupancy rate and keeping rooms full, much of the year. Occupancy rate is just one of many indicators in the lodging industry along with RevPAR and ADR. As with most industries tethered to travel, there is seasonality based on climate and travel patterns (spring break, summer, holiday, business, etc.) which affects the demand for lodging.   Nationally, the average occupancy rate is around 65% according to STR. In southern Minnesota, for the year 2022, the average occupancy rate was around 52% which included a range between 37 and 66% depending on the month. Figure 7.4 shows the average occupancy rates between 2015 and 2022 for southern Minnesota. Figure 7.5 shows the average occupancy rates by month for the years 2015 and 2022 for southern Minnesota.
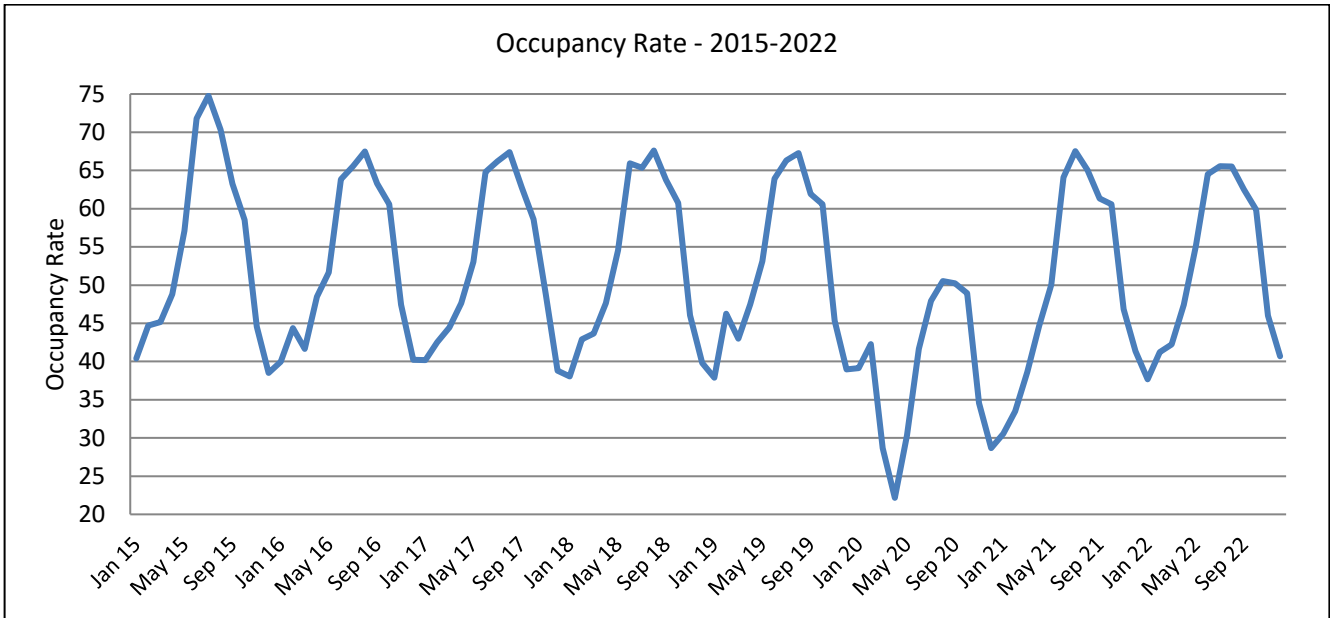
Figure 7.4 – Average occupancy rates between 2015 and 2022 for southern Minnesota (except Rochester)
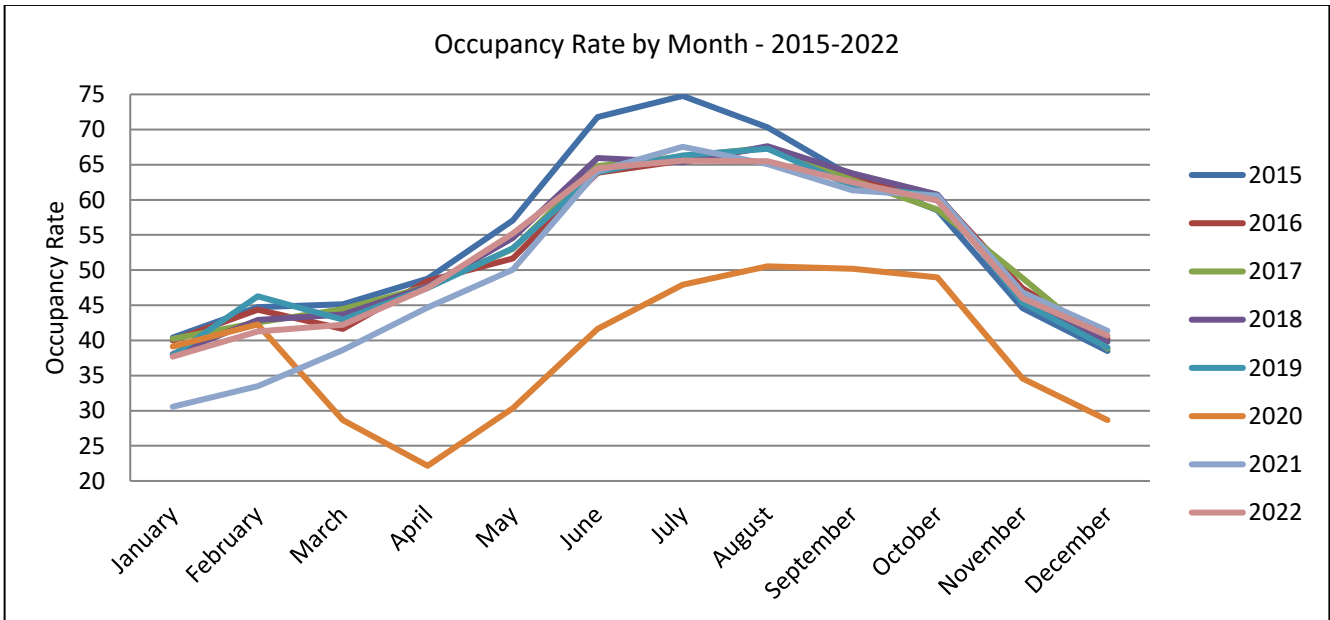
Figure 7.5 – Average occupancy rates by month between 2015 and 2022 for southern Minnesota (except Rochester)

7.3   ADR and Revenue

Based on the data procured from STR/CoStar, the ADR (Average Daily Rate) for a room in southern Minnesota (except Rochester) ranges between 90 and $110 per night depending on the month. Figure 7.6 shows the ADR by month. This is average of all lodging establishments, as STR does not break ADR out by lodging class (economy, midscale, etc.) or by specific locale within southern Minnesota.   Once one has the number of available rooms in an establishment, the occupancy rate by month, and the ADR, one can estimate the potential revenue of an establishment within a market.   The ADR provided by STR, may need to be adjusted down if one analyzing economy-oriented establishments only. Figure 7.7 shows the potential revenue for establishments in Waseca based on room, occupancy rate, and ADR. See Appendix C for additional analysis and tables.
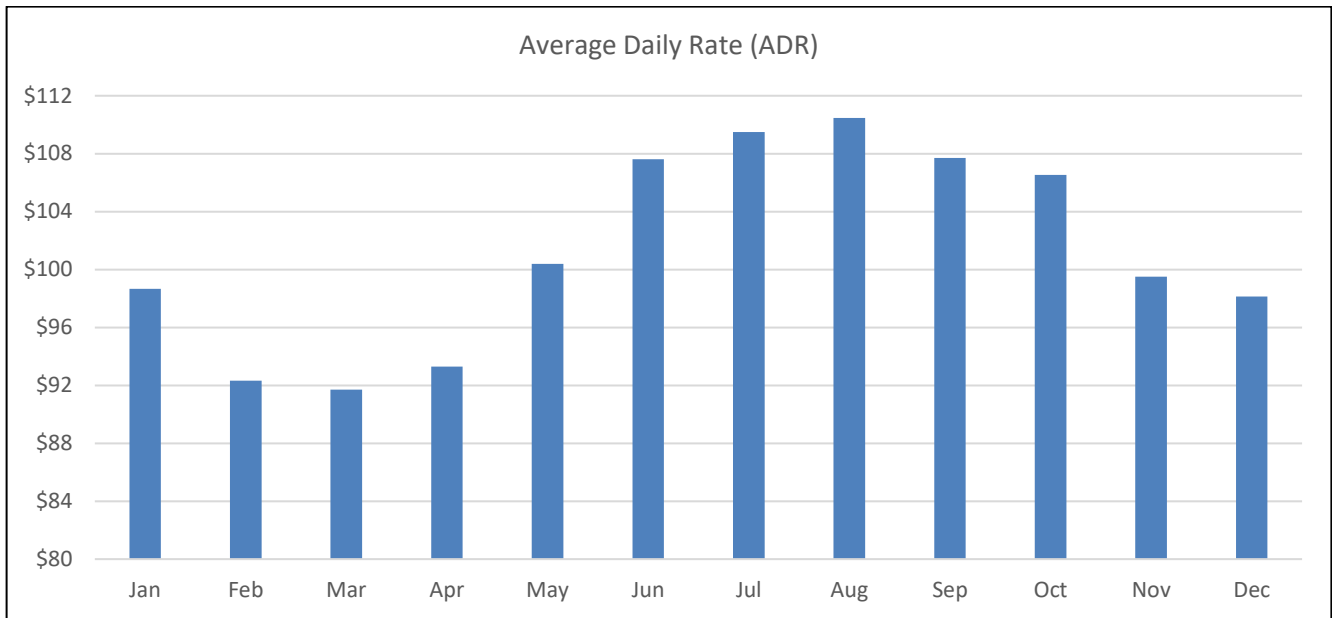
Figure 7.6 – Average Daily Rate (ADR) southern Minnesota (except Rochester)
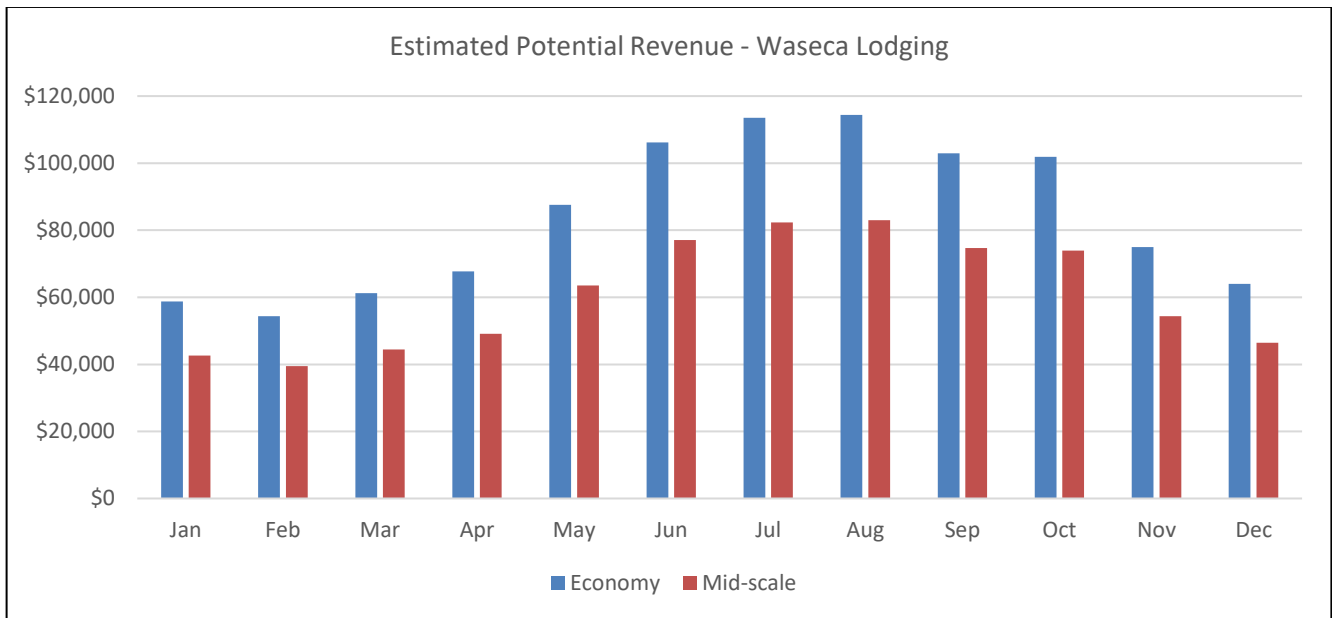
Figure 7.7 – Estimated Potential Revenue for current Waseca lodging establishments

7.2   Economy Lodging

Economy or budget oriented lodging makes up about 31% of the lodging available in the region. This includes national chains such as Motel 6, Super 8, Days Inn, etc. In this segment, Waseca captures 4.8% of the market which is a bit below average; however, not too bad, as indicated in Table 7.3.   A target market share would be 5.3% or 70 or so economy rooms (currently 51). Conversations would need to be had with current operators in this segment to see what could be supported (additional rooms) if any. Possibly a modest 10-16 room addition, if that doesn't suppress occupancy rates depending on the season. Economy lodging trade areas are shown in Figure 7.8.

Economy					
City	Population	Lodging-Rev	Pop-MS	Lodging-MS	Lodging-LQ	Rank
Albert Lea	18,301	$3,857,976	10.4%	18.5%	1.77	2
Blue Earth	3,128	$829,822	1.8%	4.0%	2.22	1
Faribault	24,298	$3,358,805	13.9%	16.1%	1.16	4
Mankato/N. Mankato	59,149	$5,828,515	33.8%	27.9%	0.83	6
Northfield/Dundas	22,331	$474,184	12.8%	2.3%	0.18	8
Owatonna	26,647	$5,136,996	15.2%	24.6%	1.62	3
Saint Peter	12,066	$395,154	6.9%	1.9%	0.27	7
Waseca	9,221	$1,007,642	5.3%	4.8%	0.92	5
Total	175,141	$20,889,095				

Table 7.3 – Economy lodging including Market Share, Location Quotient, and relative ranking
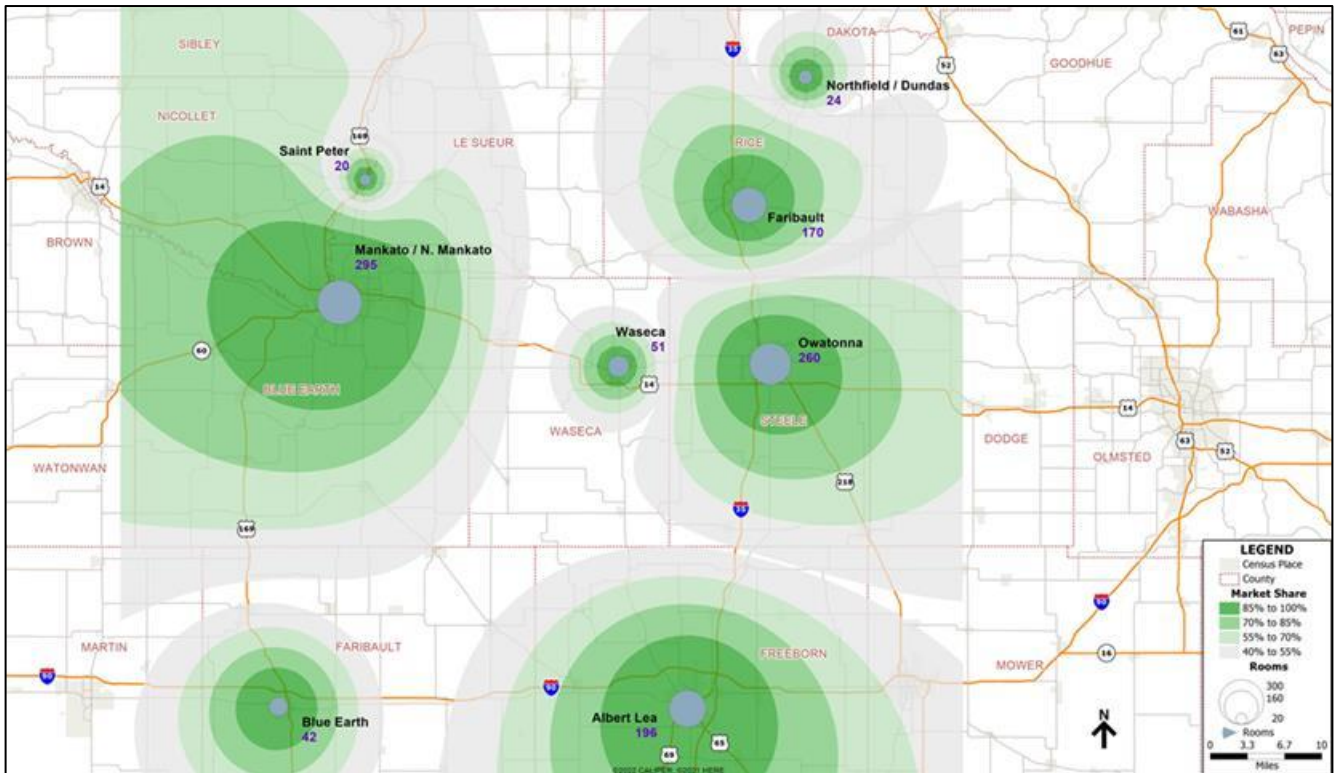
Figure 7.8 – Economy Lodging

7.3   Midscale Lodging

Midscale oriented lodging makes up about 30% of the lodging available in the region. This includes national chains such as AmericInn, Quality Inn, Baymont Inn, etc. In this segment, Waseca captures 3.5% of the market share, as indicated in Table 7.4.   A target market share would be 5.3% or 50 or so rooms (currently 37). Conversations would need to be had with current hotel operators in this segment to see what could be supported if any. Possibly a modest 12 to 20 room addition, if that doesn't' suppress occupancy rates. Midscale lodging trade areas are shown in Figure 7.9.

Midscale						
City	Population	Lodging-Rev	Pop-MS	Lodging-MS	Lodging-LQ	Rank
Albert Lea	18,301	$3,995,761	10.4%	19.1%	1.83	2
Blue Earth	3,128	$731,034	1.8%	3.5%	1.96	1
Faribault	24,298	$0	13.9%	0.0%	0.00	8
Mankato/N. Mankato	59,149	$8,495,802	33.8%	40.7%	1.20	3
Northfield/Dundas	22,331	$1,896,737	12.8%	9.1%	0.71	5
Owatonna	26,647	$3,062,440	15.2%	14.7%	0.96	4
Saint Peter	12,066	$987,884	6.9%	4.7%	0.69	6
Waseca	9,221	$731,034	5.3%	3.5%	0.66	7
Total	75,141	$19,900,692				

Table 7.4 – Midscale lodging including Market Share, Location Quotient, and relative ranking
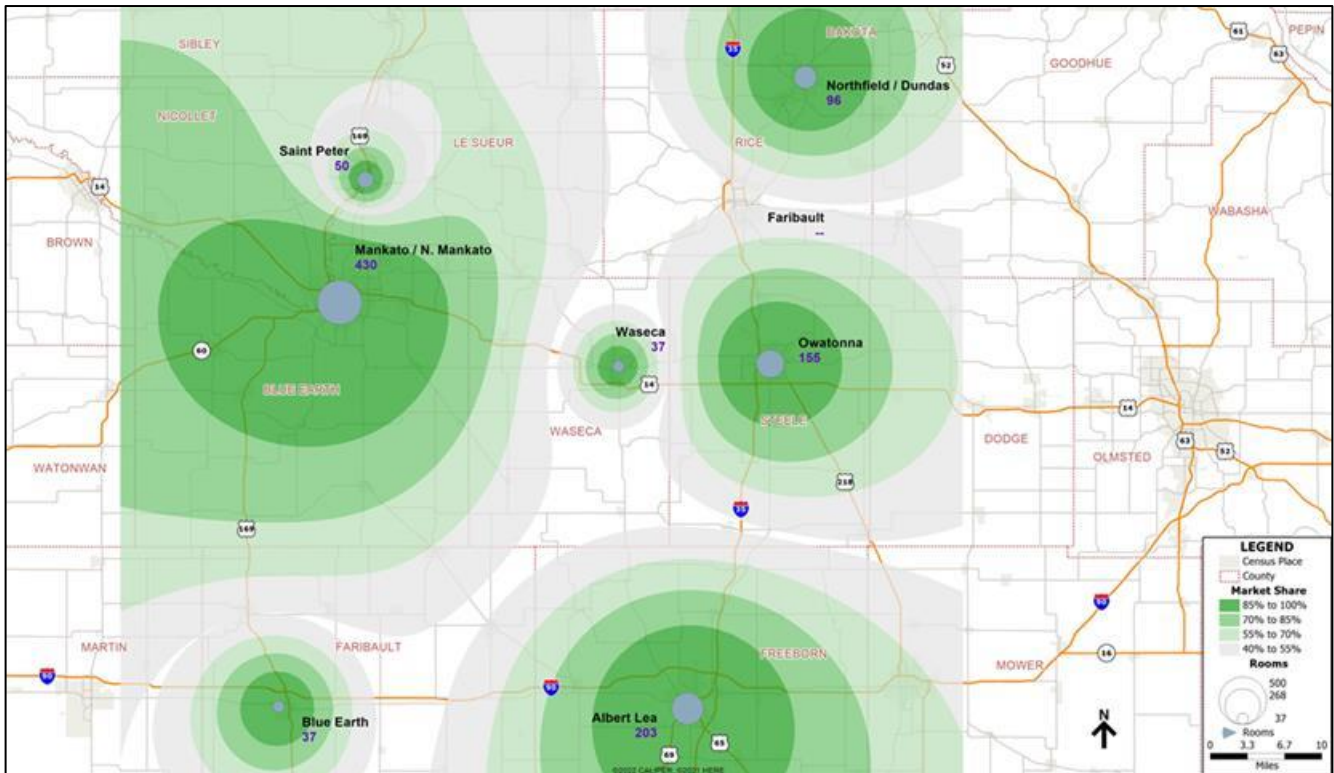

Figure 7.9 – Midscale Lodging

6.4 Upper Midscale Lodging

Upper Midscale oriented lodging makes up about 30% of the lodging available in the region. This includes national chains such as Holiday Inn Express, Fairfield Inn, Hampton Inn, and Comfort Inn, etc. In this segment, Waseca captures 0% of the market share, as indicated in Table 7.5. If an upper midscale lodging establishment were to enter the Waseca market, it would be on the smaller scale at 30-50 rooms. The challenge is seasonality. There may be the opportunity pick up overflow demand that may not be able to be met in Mankato during key times of the year (i.e. commencement, athletics, conferences, etc.). Upper midscale lodging trade areas are shown in Figure 7.10

Upper Midscale					
City	Population	Lodging-Rev	Pop-MS	Lodging-MS	Lodging-LQ	Rank
Albert Lea	18,301	$5,117,724	10.4%	24.5%	2.34	1
Blue Earth	3,128	$0	1.8%	0.0%	0.00	7
Faribault	24,298	$2,390,679	13.9%	11.4%	0.82	4
Mankato/N. Mankato	59,149	$6,282,942	33.8%	30.1%	0.89	3
Northfield/Dundas	22,331	$2,647,529	12.8%	12.7%	0.99	2
Owatonna	26,647	$2,173,345	15.2%	10.4%	0.68	6
Saint Peter	12,066	$1,185,461	6.9%	5.7%	0.82	5
Waseca	9,221	$0	5.3%	0.0%	0.00	7
Total	175,141	$19,797,678				

Table 7.5 – Upper-Midscale lodging including Market Share, Location Quotient, and relative ranking
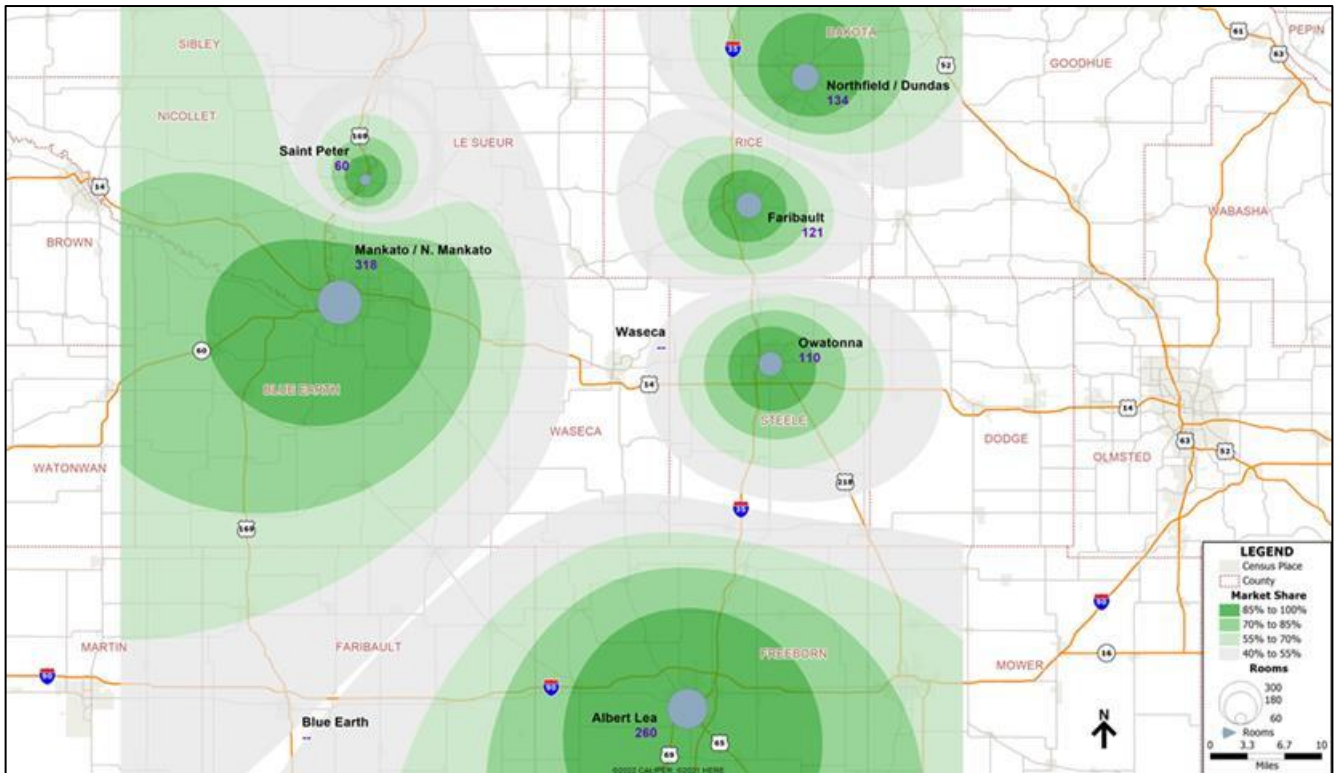
Figure 7.10 – Upper Midscale Lodging

7.5   Upscale Lodging

Upscale oriented lodging makes up about 9% of the lodging available in the region. This includes national chains such as Hilton and Marriott, etc. In this segment, Waseca captures 0% of the market share, as indicated in Table 7.6.   At this time, CG does not see Waseca attracting a lodging establishment in this sector. This segment is currently met in Mankato for potential conference center venues associated with the University. Upper midscale lodging trade areas are shown in Figure 7.11.

Upscale					
City	Population	Lodging-Rev	Pop-MS	Lodging-MS	Lodging-LQ	Rank
Albert Lea	18,301	$0	10.4%	0.0%	0.00	3
Blue Earth	3,128	$0	1.8%	0.0%	0.00	3
Faribault	24,298	$0	13.9%	0.0%	0.00	3
Mankato/N. Mankato	59,149	$4,168,870	33.8%	20.0%	0.59	2
Northfield/Dundas	22,331	$0	12.8%	0.0%	0.00	3
Owatonna	26,647	$2,094,314	15.2%	10.0%	0.66	1
Saint Peter	12,066	$0	6.9%	0.0%	0.00	3
Waseca	9,221	$0	5.3%	0.0%	0.00	3
Total	175,141	$6,263,184				

Table 7.6 – Upscale lodging including Market Share, Location Quotient, and relative ranking
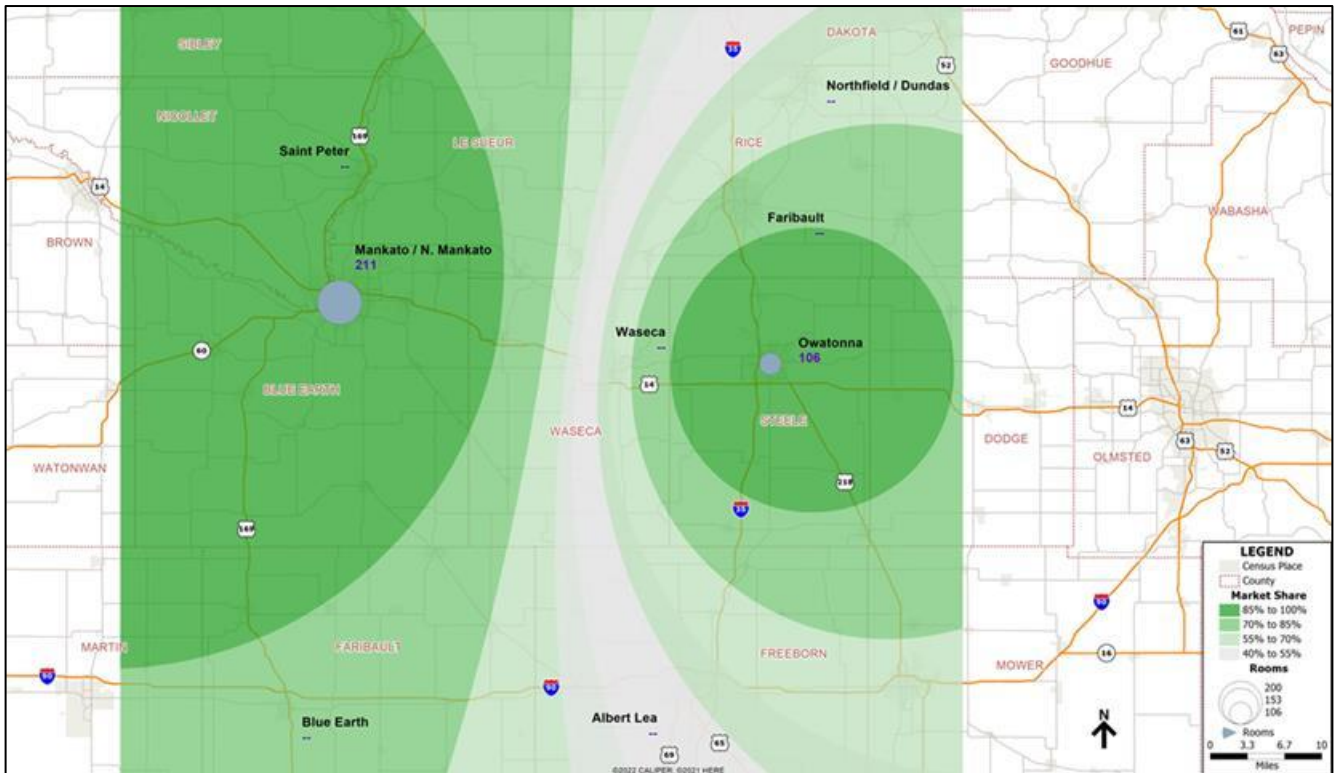
Figure 7.11 – Upscale Lodging

7.7   Concluding Comments

There are lodging opportunities in Waseca, though limited at this time. Additional recreation draw or destination events could necessitate the need to expand the two existing establishments, prior to a third establishment coming to the Waseca market. If a third lodging establishment did come to Waseca, a location off of the US-14 bypass could be attractive, especially if partnered with restaurant or some other amenities, as identified in Figure 7.12.   See Appendix C for additional analysis on occupancy, potential revenues in the lodging segment.
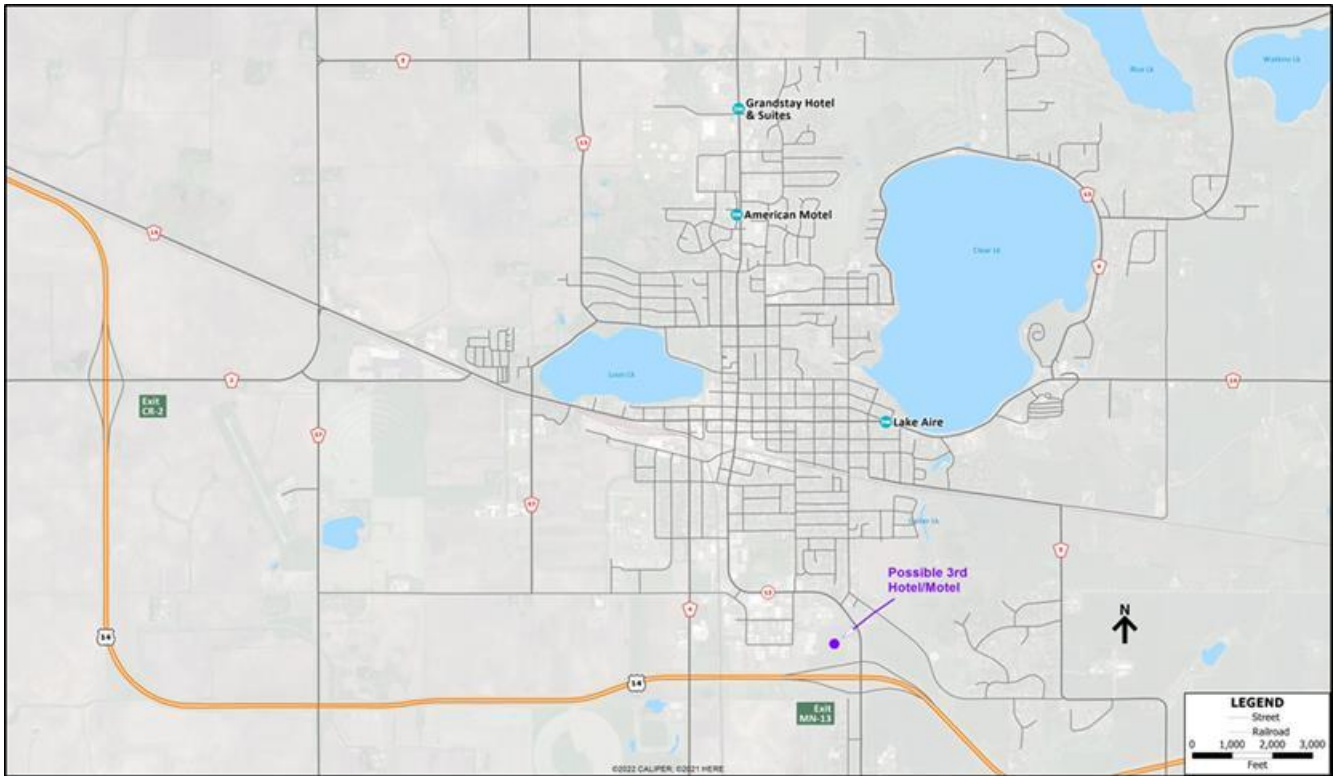
Figure 7.12 – Lodging opportunities – Waseca, MN

8   TAPESTRY (PSYCHOGRAPHIC/LIFESTYLE)

Psychographic/lifestyle characteristics are a valuable source of information for projecting consumer spending habits and patterns. A geodemographic segmentation is a process in which geographic areas are clustered into groups based on their demographic compositions. In the Maptitude Geodemographic Segmentation, Census Block Groups are first categorized into one of eight segments, then one of three to six subsegments. These segments and subsegments are then given unique names based on their demographic makeup. Essentially, a geodemographic segmentation identifies and classifies groups of highly similar consumers and markets across the United States to facilitate market understanding. CG compiled and evaluated the Tapestry data that pertained to the block-groups included in the Waseca LTA; in other words, this analysis classifies each block group (census geographic area) in the Waseca area to determine the type of market each block group represents. Such evaluation provides a more in-depth measurement of market potential than the study of demographic characteristic data on a variable-by-variable basis alone. For example, a $50,000 income in one community may provide a different lifestyle than a $50,000 income in a nearby community or within a different neighborhood in the same city. Further, two people with similar incomes who reside in Waseca may choose different neighborhoods based on their preferences. The principle here is that people tend to reside in neighborhoods with others that have many similar socio-economic characteristics (creating what market analysts call geodemographic "clusters"). Figure 8.1, identifies the primary Lifestyle Segmentation sub-segment areas within Waseca.
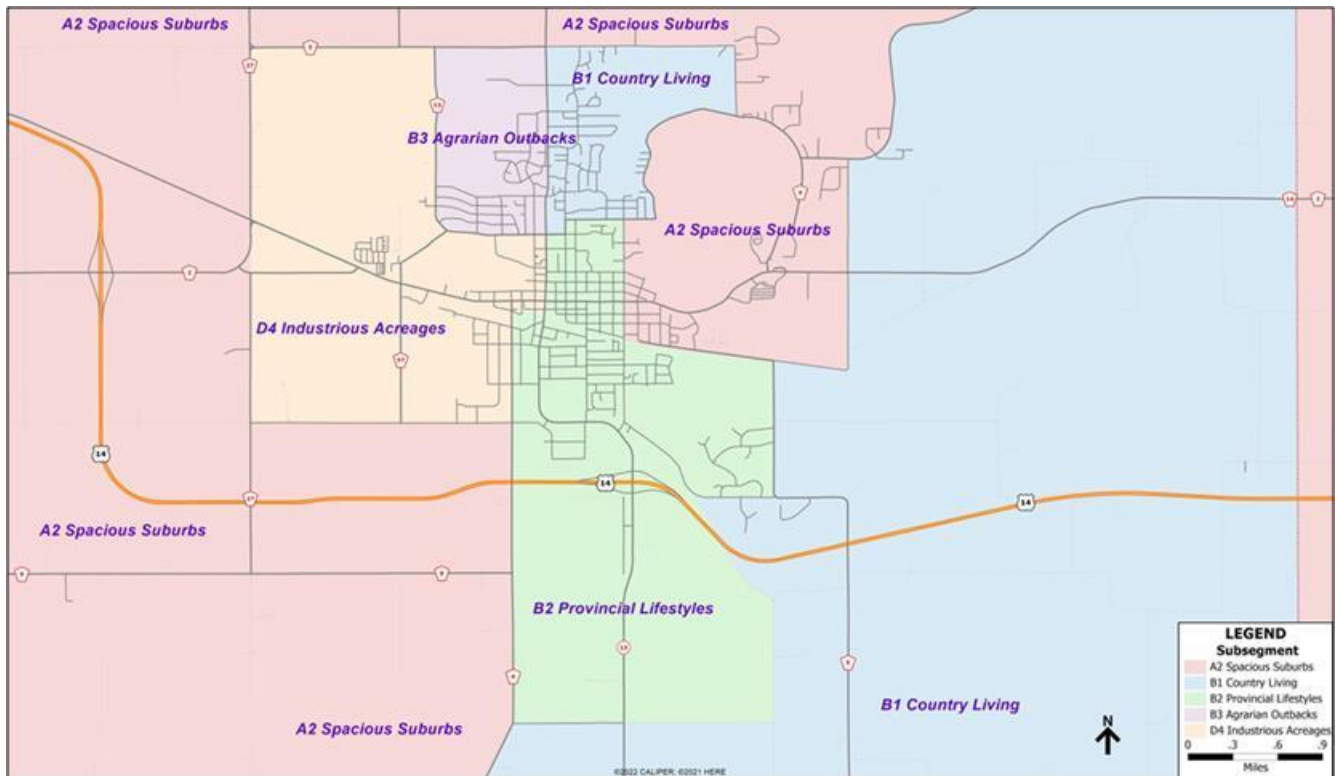
Figure 8.1 – Lifestyle Segmentation sub-segment areas – Waseca, MN

A-2 – Spacious Suburbs – Part of Comfortable Living – Consisting primarily of white families with income above the national average, these suburbs are considerably less populated than the rest of Comfortable Living. These areas are usually found between 30 minutes and an hour outside of cities in the Eastern United States. Likely due to their sparse nature and relatively high income, car ownership is very high, with over 91% of households owning vehicles and 84.2% of individuals driving to work. Despite their proximity to cities, most of the population maintains a shorter commute, with only 7.0% reporting commutes of over an hour. Home ownership is high, with a vacancy rate of only 5.9%. Over 83% of these homes are single detached housing units. Diversity in Spacious Suburbs is quite low, with 90.2% of the population speaking English only and 86.3% identifying as white. These neighborhoods are similar to Agrarian Outbacks with regard to their population density, location, and demographics, but tend to consist of individuals with higher income.

B-1 – Country Living – Part of Rural Abodes – The largest of the rural segments by landmass, Country Living contains an understandably large percentage of vacant homes at 29.5% of all housing units. The remaining homes are primarily occupied by owners, with a small fraction of renters in the mix as well. These areas feature the lowest household and population density among all segments, while still maintaining a median income near the national average. They are home to mainly white, English-only communities with low minority population. Despite the rural locations, overall vehicle ownership is only 67.3% among households. Nearly 10% of the population is self-employed, with a large amount of people working in Agriculture. These communities are comparatively less mobile than others, with only 20.7% of individuals having moved in in the past 10 years. Country Living can be found in block groups across the country, but is particularly prominent in the Eastern United States with a large cluster running from Southern Maine to Northern Georgia.

B-2 – Provincial Lifestyles – Part of Rural Abodes – Covering less ground but encompassing a higher population than Country Living, Provincial Lifestyles coats the US Appalachia region. This sub-segment also consists of more block groups than any other. 85.5% of the population in Provincial lifestyles identify as white, with sprinkles of high percentage Native American population appearing in select block groups. While these regions are mostly below the median household income in the US, the cost of living is also quite economical. Median home value sits at $105,397, well below the national median of $308,000. Despite their low cost, 73.4% of the homes are still single detached houses and 77.9% are between 4 and 7 rooms in size. Age distributions are relatively balanced in Provincial Lifestyles. 32.0% are under the age of 25, 25.3% between 25 and 44, and 26.5% between 45 and 64. Provincial Lifestyles also contains the highest percentage population employed in manufacturing of any sub-segment, at 15.0%.

B-3 – Settled and Content Agrarian Outbacks – Part of Rural Abodes – Agrarian Outbacks contains the highest population of any sub-segment in the Maptitude Geodemographic Segmentation. It is primarily found in clusters around the Great Lakes region with some scatterings in the Southeast, Northeast, and Midwest. This subsegment is similar to its Rural Abode siblings, however it boasts a higher median income, better educated population, and higher population density. Compared with the other sub-segments of Rural Abodes, the home vacancy rate is quite low, at only 7.1%. Most of the owned homes consist of 4-7 rooms, with around 23.2% containing 8 or more. 79.5% of all of these homes are detached single homes, likely due to the low population density of the communities. Vehicle ownership in Agrarian Outbacks is high, at 89.5%, and the vast majority of commuters are driving to work. Poverty rates within these areas are also low, with only 3.8% of households falling below the poverty line.

D-4 – Industrious Acreages – Part of Easy-Living Suburbs – Commonly found clustered around Lake Ontario, Industrious Acreages contain one of the largest percentages of individuals employed in manufacturing. These neighborhoods contain a mix of renters and home-owners along with a relatively even distribution of age groups. Most residents here have completed at least a high school degree, with nearly half also completing at least some amount of college. They also have some of the shortest commutes among Americans, with only 5.0% reporting a daily commute of over an hour. This may be due to the vast number of people driving to work, with only 1.8% using public transport for their commute. Homes in these areas are fairly inexpensive, with 92.5% valued at under $200,000. The demographics of the area tend to be homogeneous, with 87.7% of households speaking only English and 77.5% identifying as white. Scatterings of block groups with high Native American population are present here, indicating that a few of the neighborhoods exist on or near reservations.

By understanding these clusters, their effects and conclusions about people's buying habits can be developed, enabling Waseca to target the retailers who would most likely have a strong customer base in the defined trade areas. Geodemographic segments have been developed by Maptitude on national and regional bases, and although one community may include several different clusters, there is no single cluster that is specific to a single neighborhood or community. In describing similar groups of people, these descriptions are, by necessity, a simplification of highly complex market situations.

9   LIMITS OF STUDY

The findings of this study represent CG's best estimates for the amounts and types of retail tenants that should be supportable at the subject site. Every reasonable effort has been made to ensure that the data contained in this study reflect the most accurate and timely information possible and are believed to be reliable. This study is based on estimates, assumptions, and other information developed by CG's independent research effort, general knowledge of the industry, and consultations with the client and its representatives.

No responsibility is assumed for inaccuracies in reporting by the client, its agent and representatives or in any other data source used in preparing or presenting this study. This report is based on information that was current as of November/December 2022, and CG has not undertaken any update of its research effort since such date.

This report may contain prospective financial information, estimates, or opinions that represent CG's view of reasonable expectations at a particular time. Such information, estimates, or opinions are not offered as predictions or assurances that a particular level of income or profit will be achieved, that particular events will occur, or that a particular price will be offered or accepted as part of a real estate transaction. Actual results achieved during the period covered by ESRI's prospective financial analysis may vary from those described in our report, and the variations may be material. Therefore, no warranty or representation is made by CG that any of the projected values or results contained in this study is guaranteed to be achieved.

This study should not be the sole basis for programming, planning, designing, financing or development of a commercial center. This study is intended only for the use of the client and should be used with caution by any other site locations or developers.

Appendix A – Methodology

In November 2022, the City of Waseca commissioned CG to provide a retail market and lodging study. The region retail potential was evaluated in order to determine what new retail development would be sustainable in Waseca. CG determined the most appropriate retail categories, and provided general observations and recommendations. The results of this analysis are based on the following assumptions:

•   Housing and population growth will occur as projected herein based on the assumptions provided.

•   No new retail or commercial development beyond that which is specified in this report will occur.

•   General macroeconomic conditions will either remain unchanged or will improve over the 5-year time period.

CG evaluated several retail categories in this market analysis; including: service categories (i.e., grocery stores, and general merchandise), automobile dealerships, dining, and entertainment venues (i.e., movie theater, bowling alley, etc.).

Field Evaluation: The first component of the retail assessment was a field evaluation of the marketplace by collecting current information. CG visited this region in the fall of 2021, so CG is familiar with the geography, as CG visited the communities of Mankato, Waseca, Faribault, and Owatonna.   Furthermore, this field evaluation was used to validate the retail supply and demand dataset from ESRI's Business Analyst Online, and data from the Minnesota Department of Revenue.   The assessment of the trade area consisted of driving major roadways in the region and the surrounding communities to visually evaluate concentrations of retail activity, the quality of retail offerings, and traffic trends and patterns. This assessment also provided a partial basis for CG to determine the extent of local trade-areas.

Trade Area: Using information garnered during field evaluation, CG developed retail trade areas. Two trade areas (Local Trade Area and a Regional Trade Area) were ultimately developed for Waseca and the surrounding area. The initial customized trade areas were then altered to reflect the boundaries of the underlying geography. Trade-area definitions were created in consideration of local accessibility patterns and the trade area's competitive retail nodes.

Retail Gap Analysis: Population counts and demographic characteristics were calculated using Maptitude Mapping Software, supplemented with CG demographic and psychographic estimates and projections. Based on the calculated retail supply-and-demand estimates, CG developed a quantitative assessment of retail potential. Retail potential refers to the total dollar amount that is expected to be available for a retail category (i.e., furniture, women's clothing, books), as published by the U.S. Census Bureau and supplemented by data from ESRI's Business Analyst Online, and other consumer spending sources. Existing sales figures from a variety of retail categories, converted into square footage, were analyzed against each category's retail demand potential to determine the retail categories that are underrepresented. This analysis resulted in current-year (2023) forecast and a projection forecast that is appropriate or available.

For any given retail category, retail expenditure potential will not increase as more competitors are introduced into a market; rather, the market share for each category will be redistributed. Retail expenditure potential increases as population and household income levels grow. By calculating the proportion of the area's retail expenditure potential that is already accounted for by existing retail, the retail categories that have sufficient potential remaining can be determined. This methodology assumes no "over-storing" in a market – in other words, each retail category will approach the limit of its expenditure potential but will not go beyond it.

When calculating trade-area retail-expenditure potential, it is assumed that there will be some sales that originate from beyond the trade-area boundaries. The amount of the sales generated from beyond the trade area will vary between retail categories and is dependent on the drawing power of the retailer. Neighborhood- and convenience-based retail will have a greater proportion of their sales coming from within the trade area than will a larger-format operator that is capable of drawing customers from farther away. Ultimately, the retail potential of any category is dependent on how much of the overall sales potential an operator within the city could be expected to capture, which, in turn, is dependent on the overall amount of supply within the trade area. The difference between the retail supply and retail potential is the retail gap – the trade area's remaining potential for sustainable new retail development.

A.1   Formula's

Trade Area Capture: A Trade Area Capture (TAC) is a surrogate estimate for the number of customers, or customer equivalents, who purchase a specific type of merchandise in a given region. A TAC is determined by dividing the city's actual commercial sector sales by the state's per capita expenditures, adjusted by the relative per capita income between the city and state. The formula for TAC is described below in Figure A.1.

Figure A.1

$$TAC_{ij} = \frac{RS_{ij}}{\left(\frac{RS_{is}}{POP_s}\right) * \left(\frac{PCI_j}{PCI_s}\right)}$$

      TAC_{ij} – is the trade area capture estimate for retail category type i in city j;
      RS_{ij} – is the total retail sales for retail category type i in city j;
      RS_{is} – is the total retail sales for retail category type i in state s;
      PCI_j – is the per capita income in city j; and
      PCI_s – is the per capita income in state s.

Most trade area models assume that a community's market area is solely a function of population and distance. A TAC explicitly incorporates income and expenditure factors, which also affects the community's trade area. State, local population and income data can be obtained from State demographic sources and annual taxable sales data from the Washington Department of Revenue, which is broken down by economic sector using the North America Industrial Classification System.

In its current form, one of the weaknesses of the TAC is the lack of spatial detail; however, this issue can be addressed through the use of the Huff Model (spatial analysis model).   The TAC formula ignores the spatial element of the community's markets, as local knowledge of shopping opportunities and shopping behavior is extremely important. There may be very sensible reasons why TAC identifies a particular weakness or strength. For example, one community may be found to have large weaknesses in motor vehicle sales suggesting a market potential. But it may be the case that a neighboring community has a large concentration of automobile

dealerships (strength for that community) and hence easily explains the initial weakness for the community of interest. Knowledge of the condition of surrounding markets is vital to interpreting the results of the analysis.

TAC estimates the number of customers a community's retailers sell to. Most trade area models consider market area as the function of population and distance. TAC incorporates income and expenditure factors with the underlying assumption that local tastes and preferences are similar to the tastes and preferences of the state or region. The language here can become somewhat confusing in that the phrase trade area discussed above has a definite spatial meaning, but TAC is non-spatial.

If the TAC value exceeds population for a given city, either the city is capturing outside trade or local residents have higher spending patterns than the state average. If the TAC value is less than the city population, either the city is losing potential trade or local residents have lower spending patterns than the state average. Comparison of trade area capture estimates between specific commercial sectors and city population can provide insights into which commercial sectors are attracting or losing customers in that city. If possible, estimating a TAC through time (cluster analysis) can provide information as to the dynamic change occurring in a local commercial sector, and what trends are occurring within a particular sector.

Pull Factor: A Pull Factor (PF) explicitly calculates the proportion of consumers that a city draws from which is from outside its boundaries. The pull factor measure removes the influence of changes in population and is calculated by dividing the city's TAC estimate by the city population, as described below in Figure A.2.

Figure A.2

$$PF_{ij} = \frac{TAC_{ij}}{POP_j}$$

  PF_{ij} – is the pull factor for retail category type i in city j;
  TAC_{ij} – is the trade area capture estimate for retail category type i in city j;
  POP_j – is the population in city j;

A PF value that is greater than one may be interpreted to mean that a city is attracting a larger number of customer equivalents than would be normally drawn from the local population, assuming that their levels of purchase were similar to the statewide average. Conversely, a PF value of less than one implies that the retail purchases of local residents are not being completely captured by the local commercial sector.

The PF, much like a percent sales retention estimate, can also be loosely interpreted like a location quotient. PF's significantly greater than one often indicates an area of specialization for the local market. For example, tourist areas tend to have high PF's and location quotients for restaurants, hotels and miscellaneous retail stores. The use of any tool by itself can often lead to erroneous conclusions. One must use a variety of tools to gain a clear understanding of the local economy.

Potential Sales: Computing retail surplus/leakage for a city is found by first estimating the city's potential retail sales and then comparing potential sales to the city's actual retail sales. Potential retail sales are estimated based on the following equation described below in Figure A.3.

Figure A.3

$$PS_{ij} = POP_j * PE_{is} * \left(\frac{PCI_j}{PC_{is}}\right) * PF_{ij(avg)}$$

PS_{ij} – is the potential sales retail category type *i* in city *j*;

POP_j – is the population of city *j*;

PE_{is} – is the per capita expenditure rate of retail category type *i* for state *s*;

PCI_j/PCI_s – is the ratio of per capita income for city *j* to state per capita income; and

$PF_{ij(avg)}$ – is the average pull factor for similar sized cities *j (avg)*.

For any particular retail category, retail surplus implies that actual retail sales is greater than the estimated potential retail sales; whereas a retail leakage means an estimated potential retail sales is greater than actual sales.

<u>Huff Model</u>: The Huff model was introduced by David Huff in 1963. Its popularity and longevity can be attributed to its conceptual appeal, relative ease of use, and applicability to a wide range of problems, of which predicting consumer spatial behavior is the most commonly known. The model predicts the probability (P_{ij}) that a consumer located at *i* will choose to shop at store *j*. This is calculated according to the following formula described below in Figure 4.4-1:

Figure A.4

$$P_{ij} = \frac{A_j^{\alpha}}{\sum_{j=1}^{n} D_{ij}^{\beta}}$$

P_{ij} – Probability that a consumer located at *i* will choose to shop at store *j*;

A_j – Measure of attractiveness;

D_{ij} – The distance from *i* to *j*;

α (alpha) – An attractiveness parameter estimated from empirical observations;

β (beta) – The distance decay parameter estimated from empirical observations.

Appendix B – ESRI – Leakage/Surplus Reports

These ESRI "Retail MarketPlace Profile reports are based on 2017 Industry Data, using 2010 Census base data. All retrieved on January 23, 2023.

Retail MarketPlace Profile

Albert Lea City, MN 2
Albert Lea City, MN (2700694)
Geography: Place

Prepared by Esri

Summary Demographics

2021 Population	17,836
2021 Households	7,682
2021 Median Disposable Income	$40,363
2021 Per Capita Income	$26,581

NOTE: This database is in mature status. While the data are presented in current year geography, all supply- and demand-related estimates remain vintage 2017.

2017 Industry Summary	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	$224,834,441	$504,986,019	-$280,151,578	-38.4	208
Total Retail Trade	44-45	$204,531,205	$476,279,843	-$271,748,638	-39.9	154
Total Food & Drink	722	$20,303,236	$28,706,176	-$8,402,940	-17.1	54

2017 Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	$44,312,766	$100,806,250	-$56,493,484	-38.9	29
Automobile Dealers	4411	$35,515,050	$83,552,442	-$48,037,392	-40.3	9
Other Motor Vehicle Dealers	4412	$5,090,983	$7,524,007	-$2,433,024	-19.3	6
Auto Parts, Accessories & Tire Stores	4413	$3,706,733	$9,729,801	-$6,023,068	-44.8	14
Furniture & Home Furnishings Stores	442	$6,040,673	$15,206,181	-$9,165,508	-43.1	8
Furniture Stores	4421	$3,600,586	$3,738,199	-$137,613	-19	4
Home Furnishings Stores	4422	$2,440,087	$11,467,982	-$9,027,895	-64.9	4
Electronics & Appliance Stores	443	$7,084,335	$4,721,214	$2,363,121	20.0	4
Bldg Materials, Garden Equip. & Supply Stores	444	$15,198,711	$32,897,497	-$17,698,786	-36.8	15
Bldg Material & Supplies Dealers	4441	$13,607,164	$30,870,675	-$17,263,511	-38.8	13
Lawn & Garden Equip & Supply Stores	4442	$1,591,547	$2,026,822	-$435,275	-12.0	2
Food & Beverage Stores	445	$31,945,507	$48,555,510	-$16,610,003	-20.6	11
Grocery Stores	4451	$26,702,594	$44,090,216	-$17,387,622	-24.6	6
Specialty Food Stores	4452	$1,644,997	$327,378	$1,317,619	66.8	1
Beer, Wine & Liquor Stores	4453	$3,597,916	$4,137,916	-$540,000	-7.0	4
Health & Personal Care Stores	446,4461	$14,849,094	$22,782,234	-$7,933,140	-21.1	16
Gasoline Stations	447,4471	$23,359,579	$154,436,057	-$131,076,478	-73.7	13
Clothing & Clothing Accessories Stores	448	$9,681,411	$6,858,835	$2,822,576	17.1	11
Clothing Stores	4481	$6,691,953	$2,700,585	$3,991,368	42.5	5
Shoe Stores	4482	$1,397,091	$3,144,050	-$1,746,959	-38.5	4
Jewelry, Luggage & Leather Goods Stores	4483	$1,592,367	$1,014,200	$578,167	22.2	2
Sporting Goods, Hobby, Book & Music Stores	451	$5,853,710	$4,872,792	$980,918	9.1	9
Sporting Goods/Hobby/Musical Instr Stores	4511	$5,090,612	$4,872,792	$217,820	2.2	9
Book, Periodical & Music Stores	4512	$763,098	$0	$763,098	100.0	0
General Merchandise Stores	452	$34,647,500	$76,622,912	-$41,975,412	-37.7	10
Department Stores Excluding Leased Depts.	4521	$25,695,696	$73,577,452	-$47,881,756	-48.2	5
Other General Merchandise Stores	4529	$8,951,804	$3,045,460	$5,906,344	49.2	5
Miscellaneous Store Retailers	453	$8,272,366	$8,109,740	$162,626	10	27
Florists	4531	$433,742	$1,698,310	-$1,264,568	-59.3	6
Office Supplies, Stationery & Gift Stores	4532	$1,523,516	$273,258	$1,250,258	69.6	3
Used Merchandise Stores	4533	$924,430	$1,480,720	-$556,290	-23.1	7
Other Miscellaneous Store Retailers	4539	$5,390,678	$4,657,452	$733,226	7.3	11
Nonstore Retailers	454	$3,285,553	$410,621	$2,874,932	77.8	1
Electronic Shopping & Mail-Order Houses	4541	$2,388,550	$0	$2,388,550	100.0	0
Vending Machine Operators	4542	$147,414	$0	$147,414	100.0	0
Direct Selling Establishments	4543	$749,589	$410,621	$338,968	29.2	1
Food Services & Drinking Places	722	$20,303,236	$28,706,176	-$8,402,940	-17.1	54
Special Food Services	7223	$532,430	$504,952	$27,478	2.6	2
Drinking Places - Alcoholic Beverages	7224	$1,134,778	$1,100,637	$34,141	15	4
Restaurants/Other Eating Places	7225	$18,636,028	$27,100,587	-$8,464,559	-18.5	48

Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please click the link below to view the Methodology Statement.

http://www.esri.com/library/whitepapers/pdfs/esri-data-retail-marketplace.pdf

Source: Esri and Data Axle. Esri 2021 Updated Demographics. Esri 2017 Retail MarketPlace. ©2021 Esri. ©2017 Data Axle, Inc. All rights reserved.

Figure B.1 – Albert Lea – Retail Gap

esri Retail MarketPlace Profile

Albert Lea City, MN 2   Prepared by Esri
Albert Lea City, MN (2700694)
Geography: Place

2017 Leakage/Surplus Factor by Industry Subsector

2017 Leakage/Surplus Factor by Industry Group
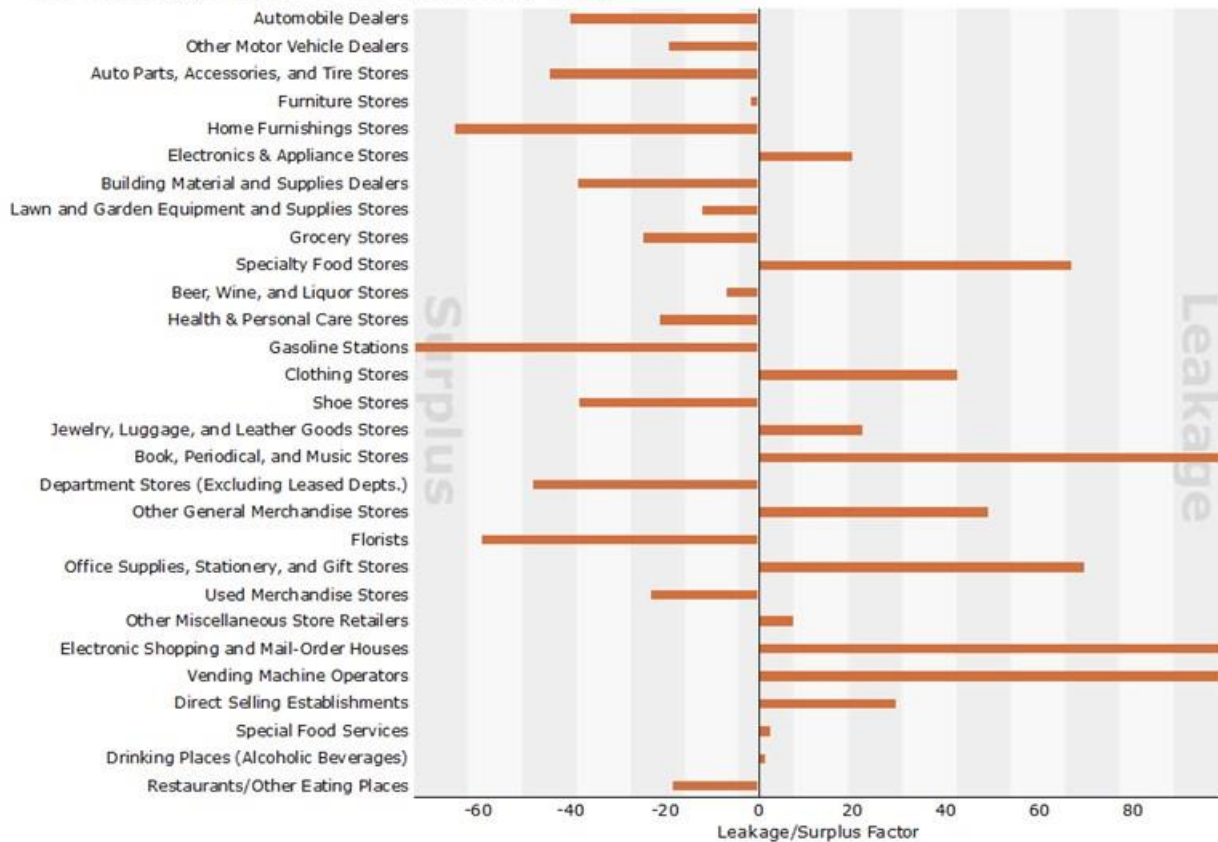
Leakage/Surplus Factor

Figure B.2 – Albert Lea – Leakage/Surplus

Waseca, MN – Retail & Lodging Market Analysis – ©2023 – Cardinal Geographics

Retail MarketPlace Profile

Blue Earth City, MN
Blue Earth City, MN (2706688)
Geography: Place

Prepared by Esri

Summary Demographics

2021 Population	3,218
2021 Households	1,400
2021 Median Disposable Income	$39,288
2021 Per Capita Income	$27,157

NOTE: This database is in mature status. While the data are presented in current year geography, all supply- and demand-related estimates remain vintage 2017.

2017 Industry Summary	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	$41,046,490	$85,001,732	-$43,955,242	-34.9	45
Total Retail Trade	44-45	$37,580,752	$79,768,523	-$42,187,771	-36.0	34
Total Food & Drink	722	$3,465,738	$5,233,209	-$1,767,471	-20.3	11

2017 Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	$8,476,611	$3,515,090	$4,961,521	41.4	6
Automobile Dealers	4411	$6,828,315	$2,211,668	$4,616,647	51.1	2
Other Motor Vehicle Dealers	4412	$973,116	$0	$973,116	100.0	0
Auto Parts, Accessories & Tire Stores	4413	$675,180	$1,303,422	-$628,242	-31.8	4
Furniture & Home Furnishings Stores	442	$1,019,014	$1,540,971	-$521,957	-20.4	3
Furniture Stores	4421	$617,340	$988,769	-$371,429	-23.1	2
Home Furnishings Stores	4422	$401,674	$552,202	-$150,528	-15.8	1
Electronics & Appliance Stores	443	$1,232,521	$675,192	$557,329	29.2	1
Bldg Materials, Garden Equip. & Supply Stores	444	$2,762,154	$1,637,252	$1,124,902	25.6	3
Bldg Material & Supplies Dealers	4441	$2,463,223	$1,637,252	$825,971	20.1	3
Lawn & Garden Equip & Supply Stores	4442	$298,931	$0	$298,931	100.0	0
Food & Beverage Stores	445	$5,842,665	$12,135,205	-$6,292,540	-35.0	5
Grocery Stores	4451	$4,935,927	$9,595,393	-$4,659,466	-32.1	3
Specialty Food Stores	4452	$303,484	$0	$303,484	100.0	0
Beer, Wine & Liquor Stores	4453	$603,254	$2,539,812	-$1,936,558	-61.6	2
Health & Personal Care Stores	446,4461	$2,742,059	$2,455,090	$286,969	5.5	1
Gasoline Stations	447,4471	$4,507,267	$18,030,728	-$13,523,461	-60.0	5
Clothing & Clothing Accessories Stores	448	$1,620,776	$0	$1,620,776	100.0	0
Clothing Stores	4481	$1,135,920	$0	$1,135,920	100.0	0
Shoe Stores	4482	$241,235	$0	$241,235	100.0	0
Jewelry, Luggage & Leather Goods Stores	4483	$243,621	$0	$243,621	100.0	0
Sporting Goods, Hobby, Book & Music Stores	451	$1,019,393	$356,984	$662,409	48.1	3
Sporting Goods/Hobby/Musical Instr Stores	4511	$888,070	$356,984	$531,086	42.7	3
Book, Periodical & Music Stores	4512	$131,323	$0	$131,323	100.0	0
General Merchandise Stores	452	$6,178,673	$37,216,781	-$31,038,108	-71.5	2
Department Stores Excluding Leased Depts.	4521	$4,531,956	$35,550,000	-$31,018,044	-77.4	1
Other General Merchandise Stores	4529	$1,646,717	$1,666,781	-$20,064	-0.6	1
Miscellaneous Store Retailers	453	$1,588,083	$2,205,230	-$617,147	-16.3	5
Florists	4531	$70,331	$371,187	-$300,856	-68.1	1
Office Supplies, Stationery & Gift Stores	4532	$262,405	$66,355	$196,050	59.6	1
Used Merchandise Stores	4533	$155,348	$0	$155,348	100.0	0
Other Miscellaneous Store Retailers	4539	$1,099,999	$1,767,688	-$667,689	-23.3	3
Nonstore Retailers	454	$591,536	$0	$591,536	100.0	0
Electronic Shopping & Mail-Order Houses	4541	$412,309	$0	$412,309	100.0	0
Vending Machine Operators	4542	$26,895	$0	$26,895	100.0	0
Direct Selling Establishments	4543	$152,332	$0	$152,332	100.0	0
Food Services & Drinking Places	722	$3,465,738	$5,233,209	-$1,767,471	-20.3	11
Special Food Services	7223	$91,446	$0	$91,446	100.0	0
Drinking Places - Alcoholic Beverages	7224	$177,887	$1,447,675	-$1,269,788	-78.1	2
Restaurants/Other Eating Places	7225	$3,196,405	$3,785,534	-$589,129	-8.4	9

Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please click the link below to view the Methodology Statement.
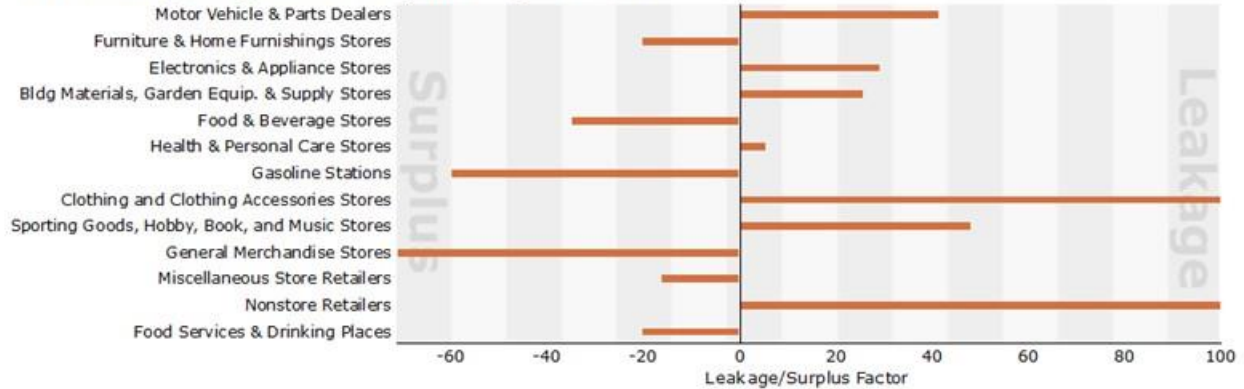
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Figure B.3 – Blue Earth – Retail Gap
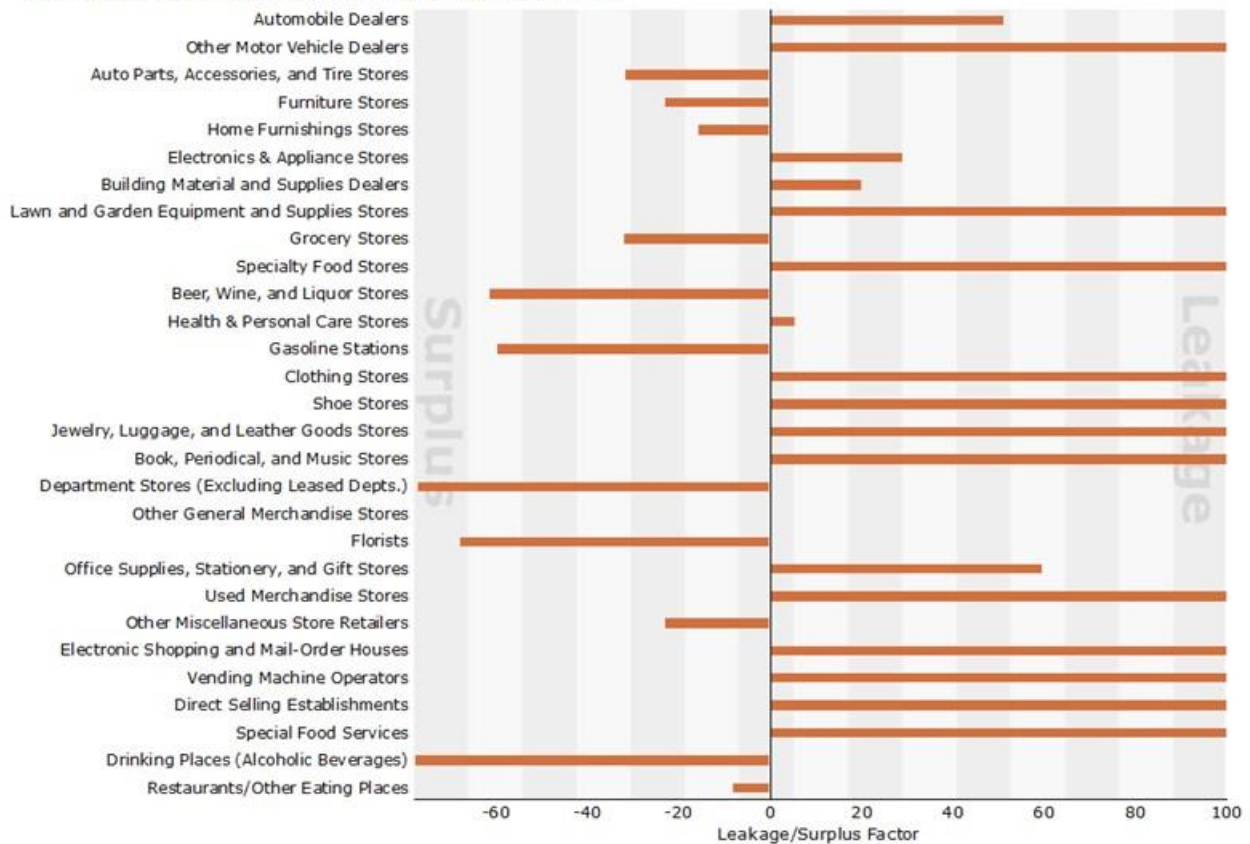
Figure B.4 – Blue Earth – Leakage/Surplus

esri   Retail MarketPlace Profile

Faribault City, MN   Prepared by Esri
Faribault City, MN (2720546)
Geography: Place

Summary Demographics

2021 Population	24,746
2021 Households	8,895
2021 Median Disposable Income	$46,666
2021 Per Capita Income	$24,835

NOTE: This database is in mature status. While the data are presented in current year geography, all supply- and demand-related estimates remain vintage 2017.

2017 Industry Summary	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	$291,998,070	$332,446,639	-$40,448,569	-6.5	188
Total Retail Trade	44-45	$264,340,233	$298,998,076	-$34,657,843	-6.2	138
Total Food & Drink	722	$27,657,837	$33,448,563	-$5,790,726	-9.5	50

2017 Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	$56,115,929	$90,983,187	-$34,867,258	-23.7	21
Automobile Dealers	4411	$44,993,139	$78,631,953	-$33,638,814	-27.2	11
Other Motor Vehicle Dealers	4412	$6,331,894	$8,699,385	-$2,367,491	-15.8	4
Auto Parts, Accessories & Tire Stores	4413	$4,790,896	$3,651,849	$1,139,047	13.5	6
Furniture & Home Furnishings Stores	442	$8,220,299	$3,448,852	$4,771,447	40.9	5
Furniture Stores	4421	$4,927,202	$2,477,639	$2,449,563	33.1	2
Home Furnishings Stores	4422	$3,293,097	$971,213	$2,321,884	54.4	3
Electronics & Appliance Stores	443	$9,500,909	$5,817,607	$3,683,302	24.0	10
Bldg Materials, Garden Equip. & Supply Stores	444	$19,072,009	$17,735,872	$1,336,137	3.6	13
Bldg Material & Supplies Dealers	4441	$17,247,006	$10,881,627	$6,365,379	22.6	11
Lawn & Garden Equip & Supply Stores	4442	$1,825,003	$6,854,245	-$5,029,242	-57.9	2
Food & Beverage Stores	445	$41,442,060	$75,165,568	-$33,723,508	-28.9	12
Grocery Stores	4451	$34,494,355	$69,319,517	-$34,825,162	-33.5	6
Specialty Food Stores	4452	$2,129,887	$352,260	$1,777,627	71.6	2
Beer, Wine & Liquor Stores	4453	$4,817,818	$5,493,791	-$675,973	-6.6	4
Health & Personal Care Stores	446,4461	$18,697,663	$13,766,501	$4,931,162	15.2	11
Gasoline Stations	447,4471	$29,875,722	$43,069,913	-$13,194,191	-18.1	11
Clothing & Clothing Accessories Stores	448	$13,368,260	$6,510,289	$6,857,971	34.5	8
Clothing Stores	4481	$9,198,185	$4,195,413	$5,002,772	37.4	4
Shoe Stores	4482	$1,948,012	$1,031,733	$916,279	30.8	1
Jewelry, Luggage & Leather Goods Stores	4483	$2,222,063	$1,283,143	$938,920	26.8	3
Sporting Goods, Hobby, Book & Music Stores	451	$7,874,891	$2,875,861	$4,999,030	46.5	9
Sporting Goods/Hobby Musical Instr Stores	4511	$6,850,414	$2,875,861	$3,974,553	40.9	9
Book, Periodical & Music Stores	4512	$1,024,477	$0	$1,024,477	100.0	0
General Merchandise Stores	452	$45,728,030	$23,464,344	$22,263,686	32.2	8
Department Stores Excluding Leased Depts.	4521	$34,110,890	$20,534,261	$13,576,629	24.8	2
Other General Merchandise Stores	4529	$11,617,140	$2,930,083	$8,687,057	59.7	6
Miscellaneous Store Retailers	453	$10,300,357	$10,544,995	-$244,638	-1.2	26
Florists	4531	$531,818	$476,919	$54,899	5.4	4
Office Supplies, Stationery & Gift Stores	4532	$2,046,151	$448,124	$1,598,027	64.1	4
Used Merchandise Stores	4533	$1,258,587	$2,357,584	-$1,098,997	-30.4	6
Other Miscellaneous Store Retailers	4539	$6,463,801	$7,262,368	-$798,567	-5.8	12
Nonstore Retailers	454	$4,144,104	$5,615,087	-$1,470,983	-15.1	4
Electronic Shopping & Mail-Order Houses	4541	$3,209,461	$0	$3,209,461	100.0	0
Vending Machine Operators	4542	$192,816	$5,403,279	-$5,210,463	-93.1	3
Direct Selling Establishments	4543	$741,827	$211,808	$530,019	55.6	1
Food Services & Drinking Places	722	$27,657,837	$33,448,563	-$5,790,726	-9.5	50
Special Food Services	7223	$697,985	$96,949	$601,036	75.6	2
Drinking Places - Alcoholic Beverages	7224	$1,561,578	$3,841,938	-$2,280,360	-42.2	4
Restaurants/Other Eating Places	7225	$25,398,274	$29,509,676	-$4,111,402	-7.5	44

Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please click the link below to view the Methodology Statement.

http://www.esri.com/library/whitepapers/pdfs/esri-data-retail-marketplace.pdf

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Figure B.5 – Faribault – Retail Gap
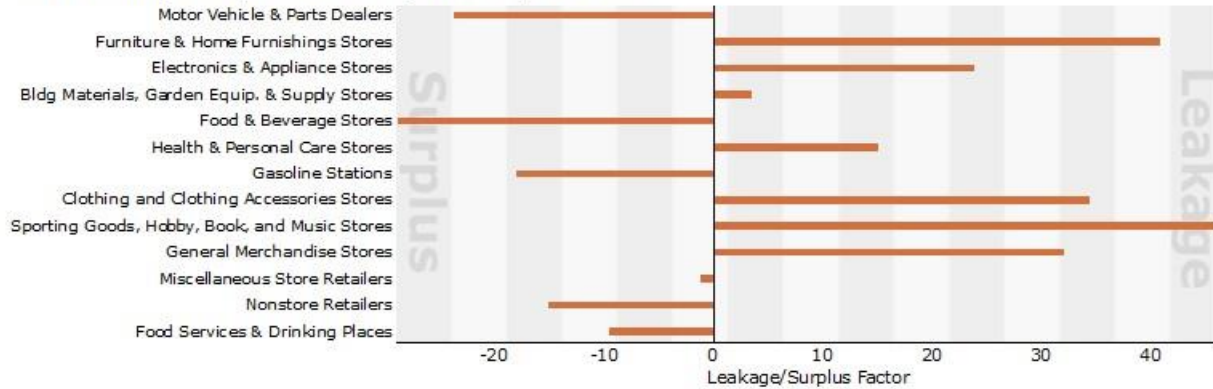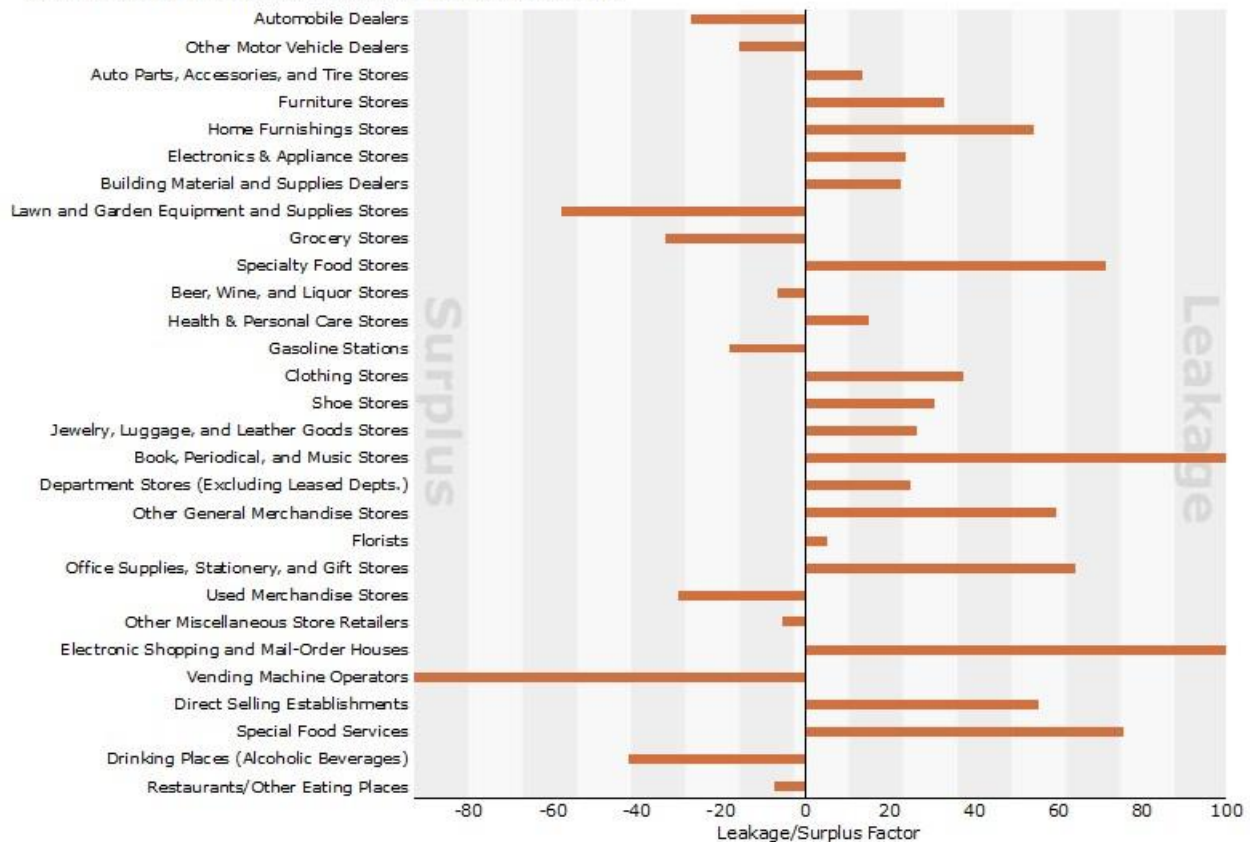
Figure B.6 – Faribault – Leakage/Surplus

esri Retail MarketPlace Profile

Northfield City, MN

Northfield City, MN (2746924)

Geography: Place

Prepared by Esri

Summary Demographics

2021 Population	21,073
2021 Households	6,752
2021 Median Disposable Income	$57,179
2021 Per Capita Income	$31,319

NOTE: This database is in mature status. While the data are presented in current year geography, all supply- and demand-related estimates remain vintage 2017.

2017 Industry Summary	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	$270,533,427	$237,266,589	$33,266,838	6.6	126
Total Retail Trade	44-45	$243,985,885	$211,753,730	$32,232,155	7.1	88
Total Food & Drink	722	$26,547,542	$25,512,859	$1,034,683	2.0	38

2017 Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	$50,812,201	$15,521,941	$35,290,260	53.2	7
Automobile Dealers	4411	$40,626,372	$10,510,168	$30,116,204	58.9	1
Other Motor Vehicle Dealers	4412	$5,735,284	$0	$5,735,284	100.0	0
Auto Parts, Accessories & Tire Stores	4413	$4,450,545	$5,011,773	-$561,228	-5.9	6
Furniture & Home Furnishings Stores	442	$7,802,963	$2,996,715	$4,806,248	44.5	3
Furniture Stores	4421	$4,657,526	$414,794	$4,242,732	83.6	1
Home Furnishings Stores	4422	$3,145,437	$2,581,921	$563,516	9.8	2
Electronics & Appliance Stores	443	$9,011,150	$3,351,423	$5,659,727	45.8	2
Bldg Materials, Garden Equip. & Supply Stores	444	$17,543,211	$5,444,541	$12,098,670	52.6	5
Bldg Material & Supplies Dealers	4441	$15,854,270	$5,369,979	$10,484,291	49.4	4
Lawn & Garden Equip & Supply Stores	4442	$1,688,941	$74,562	$1,614,379	91.5	1
Food & Beverage Stores	445	$38,428,119	$52,180,458	-$13,752,339	-15.2	7
Grocery Stores	4451	$31,731,674	$49,245,717	-$17,514,043	-21.6	5
Specialty Food Stores	4452	$1,961,603	$362,690	$1,598,913	68.8	1
Beer, Wine & Liquor Stores	4453	$4,734,842	$2,572,051	$2,162,791	29.6	1
Health & Personal Care Stores	446,4461	$17,032,387	$10,953,660	$6,078,727	21.7	6
Gasoline Stations	447,4471	$26,739,381	$60,712,204	-$33,972,823	-38.8	6
Clothing & Clothing Accessories Stores	448	$13,009,425	$5,574,710	$7,434,715	40.0	10
Clothing Stores	4481	$8,856,881	$3,572,484	$5,284,397	42.5	8
Shoe Stores	4482	$1,866,604	$1,289,666	$576,938	18.3	1
Jewelry, Luggage & Leather Goods Stores	4483	$2,285,940	$712,560	$1,573,380	52.5	1
Sporting Goods, Hobby, Book & Music Stores	451	$7,485,813	$4,092,560	$3,393,253	29.3	13
Sporting Goods/Hobby/Musical Instr Stores	4511	$6,505,772	$1,987,787	$4,517,985	53.2	9
Book, Periodical & Music Stores	4512	$980,041	$2,104,773	-$1,124,732	-36.5	4
General Merchandise Stores	452	$42,825,142	$40,189,828	$2,635,314	3.2	3
Department Stores Excluding Leased Depts.	4521	$32,120,643	$38,067,430	-$5,946,787	-8.5	1
Other General Merchandise Stores	4529	$10,704,499	$2,122,398	$8,582,101	66.9	2
Miscellaneous Store Retailers	453	$9,370,736	$8,988,709	$382,027	2.1	23
Florists	4531	$525,967	$494,733	$31,234	3.1	6
Office Supplies, Stationery & Gift Stores	4532	$1,943,808	$896,248	$1,047,560	36.9	6
Used Merchandise Stores	4533	$1,198,904	$5,816,340	-$4,617,436	-65.8	5
Other Miscellaneous Store Retailers	4539	$5,702,057	$1,781,388	$3,920,669	52.4	6
Nonstore Retailers	454	$3,925,357	$1,746,981	$2,178,376	38.4	3
Electronic Shopping & Mail-Order Houses	4541	$3,055,292	$1,746,981	$1,308,311	27.2	3
Vending Machine Operators	4542	$178,686	$0	$178,686	100.0	0
Direct Selling Establishments	4543	$691,379	$0	$691,379	100.0	0
Food Services & Drinking Places	722	$26,547,542	$25,512,859	$1,034,683	2.0	38
Special Food Services	7223	$665,054	$1,250,491	-$585,437	-30.6	2
Drinking Places - Alcoholic Beverages	7224	$1,559,690	$1,462,977	$96,713	3.2	1
Restaurants/Other Eating Places	7225	$24,322,798	$22,799,391	$1,523,407	3.2	35

Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please click the link below to view the Methodology Statement.

http://www.esri.com/library/whitepapers/pdfs/esri-data-retail-marketplace.pdf

Figure B.7 – Northfield – Retail Gap

Figure B.8 – Northfield – Leakage/Surplus

esri Retail MarketPlace Profile

Owatonna City, MN   Prepared by Esri
Owatonna City, MN (2749300)
Geography: Place

Summary Demographics

2021 Population	25,863
2021 Households	10,282
2021 Median Disposable Income	$52,584
2021 Per Capita Income	$32,002

NOTE: This database is in mature status. While the data are presented in current year geography, all supply- and demand-related estimates remain vintage 2017.

2017 Industry Summary	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	$391,513,240	$423,758,078	-$32,244,838	-4.0	195
Total Retail Trade	44-45	$354,191,348	$389,465,123	-$35,273,775	-4.7	143
Total Food & Drink	722	$37,321,892	$34,292,955	$3,028,937	4.2	52

2017 Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	$74,388,114	$73,864,248	$523,866	0.4	18
Automobile Dealers	4411	$59,443,987	$66,088,789	-$6,644,802	-5.3	9
Other Motor Vehicle Dealers	4412	$8,499,122	$2,868,713	$5,630,409	49.5	1
Auto Parts, Accessories & Tire Stores	4413	$6,445,005	$4,906,746	$1,538,259	13.6	8
Furniture & Home Furnishings Stores	442	$11,079,066	$1,683,085	$9,395,981	73.6	5
Furniture Stores	4421	$6,575,651	$971,166	$5,604,485	74.3	3
Home Furnishings Stores	4422	$4,503,415	$711,919	$3,791,496	72.7	2
Electronics & Appliance Stores	443	$12,774,054	$3,381,662	$9,392,392	58.1	4
Bldg Materials, Garden Equip. & Supply Stores	444	$26,032,976	$23,628,836	$2,404,140	4.8	17
Bldg Material & Supplies Dealers	4441	$23,423,454	$22,660,715	$762,739	1.7	15
Lawn & Garden Equip & Supply Stores	4442	$2,609,522	$968,121	$1,641,401	45.9	2
Food & Beverage Stores	445	$55,638,829	$91,095,491	-$35,456,662	-24.2	17
Grocery Stores	4451	$46,143,313	$84,470,352	-$38,327,039	-29.3	9
Specialty Food Stores	4452	$2,848,362	$564,431	$2,283,931	66.9	1
Beer, Wine & Liquor Stores	4453	$6,647,154	$6,060,708	$586,446	4.6	7
Health & Personal Care Stores	446,4461	$25,227,440	$24,800,712	$426,728	0.9	20
Gasoline Stations	447,4471	$39,245,307	$28,256,434	$10,988,873	16.3	7
Clothing & Clothing Accessories Stores	448	$18,068,223	$5,894,658	$12,173,565	50.8	11
Clothing Stores	4481	$12,397,001	$3,640,140	$8,756,861	54.6	7
Shoe Stores	4482	$2,595,864	$630,064	$1,965,800	60.9	1
Jewelry, Luggage & Leather Goods Stores	4483	$3,075,358	$1,624,454	$1,450,904	30.9	3
Sporting Goods, Hobby, Book & Music Stores	451	$10,621,826	$30,484,533	-$19,862,707	-48.3	11
Sporting Goods/Hobby/Musical Instr Stores	4511	$9,233,377	$30,386,133	-$21,152,756	-53.4	10
Book, Periodical & Music Stores	4512	$1,388,449	$98,400	$1,290,049	86.8	1
General Merchandise Stores	452	$61,540,293	$74,395,826	-$12,855,533	-9.5	5
Department Stores Excluding Leased Depts.	4521	$46,001,061	$72,543,444	-$26,542,383	-22.4	3
Other General Merchandise Stores	4529	$15,539,232	$1,852,382	$13,686,850	78.7	2
Miscellaneous Store Retailers	453	$13,876,910	$19,098,228	-$5,221,318	-15.8	24
Florists	4531	$784,673	$420,587	$364,086	30.2	3
Office Supplies, Stationery & Gift Stores	4532	$2,762,994	$15,711,067	-$12,948,073	-70.1	5
Used Merchandise Stores	4533	$1,705,733	$337,275	$1,368,458	67.0	1
Other Miscellaneous Store Retailers	4539	$8,623,510	$2,629,299	$5,994,211	53.3	15
Nonstore Retailers	454	$5,698,310	$12,881,410	-$7,183,100	-38.7	4
Electronic Shopping & Mail-Order Houses	4541	$4,335,999	$7,686,135	-$3,350,136	-27.9	1
Vending Machine Operators	4542	$257,779	$0	$257,779	100.0	0
Direct Selling Establishments	4543	$1,104,532	$5,195,275	-$4,090,743	-64.9	3
Food Services & Drinking Places	722	$37,321,892	$34,292,955	$3,028,937	4.2	52
Special Food Services	7223	$966,126	$0	$966,126	100.0	0
Drinking Places - Alcoholic Beverages	7224	$2,167,055	$709,427	$1,457,628	50.7	3
Restaurants/Other Eating Places	7225	$34,188,711	$33,583,528	$605,183	0.9	49

Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the RetailMarketPlace data, please click the link below to view the Methodology Statement.

http://www.esri.com/library/whitepapers/pdfs/esri-data-retail-marketplace.pdf

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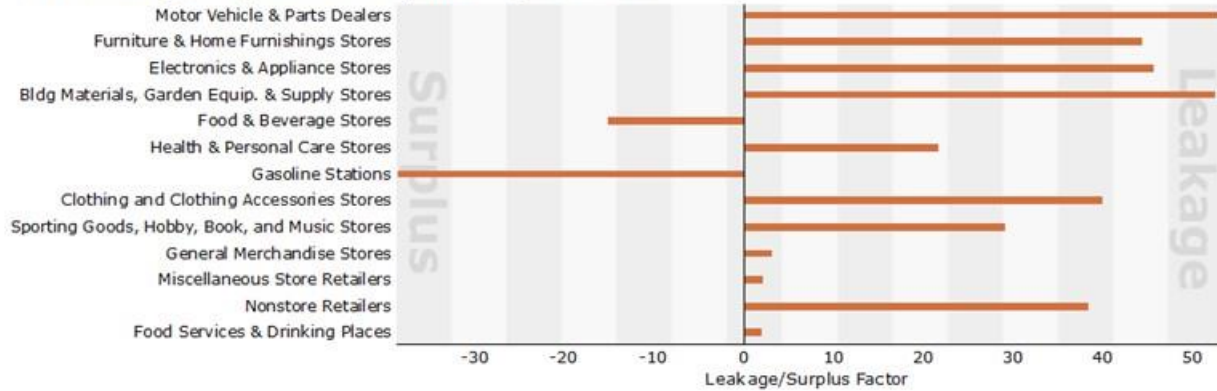
Figure B.9 – Owatonna – Retail Gap

2017 Leakage/Surplus Factor by Industry Subsector
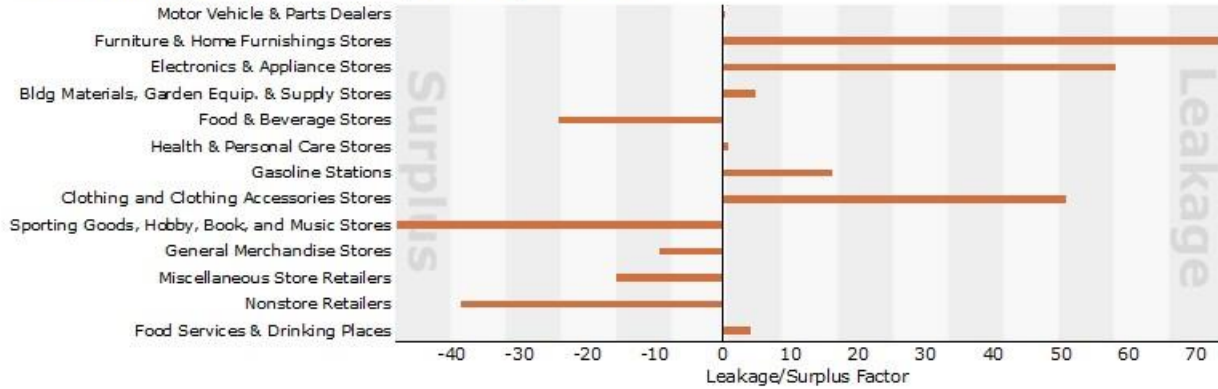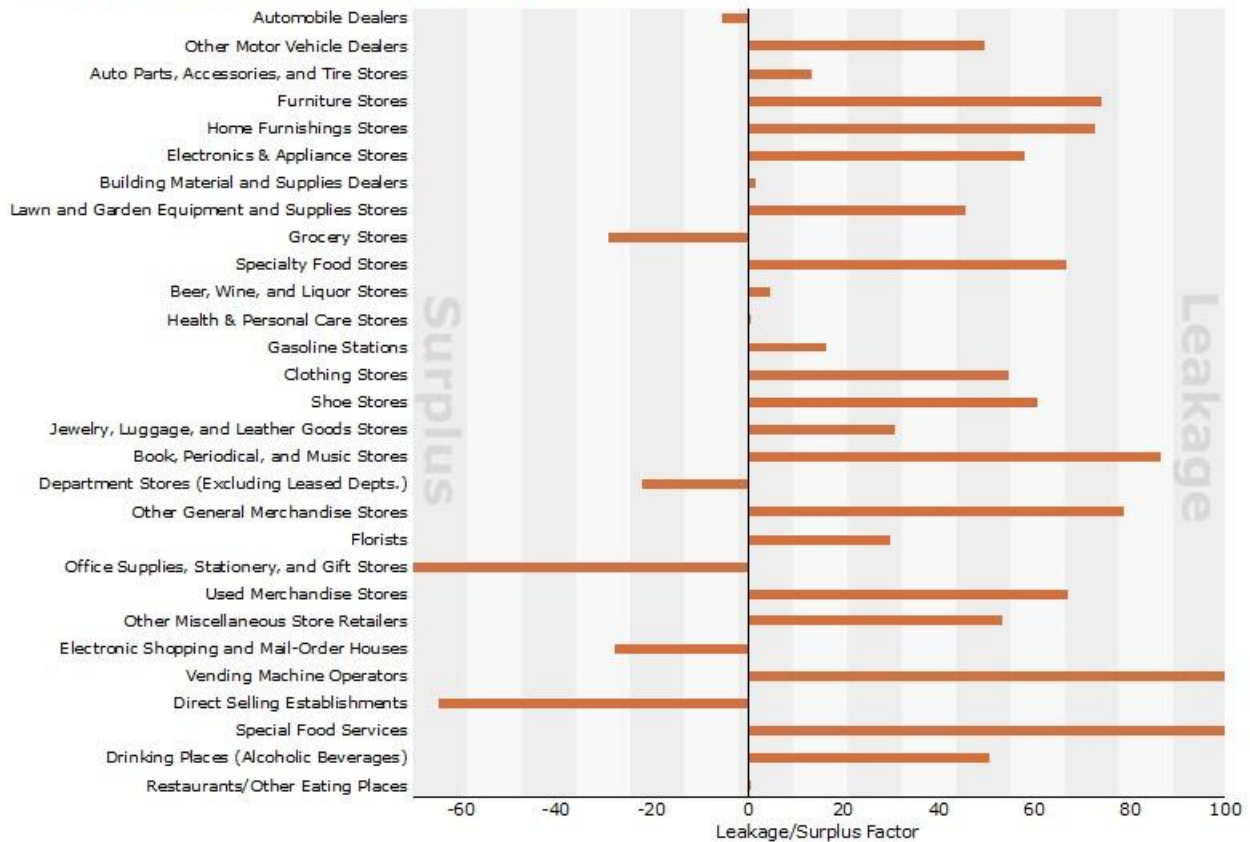

2017 Leakage/Surplus Factor by Industry Group

Figure B.10 – Owatonna – Leakage/Surplus

esri Retail MarketPlace Profile

Mankato City, MN
Mankato City, MN (2739878)
Geography: Place

Summary Demographics

2021 Population	45,181
2021 Households	17,696
2021 Median Disposable Income	$43,016
2021 Per Capita Income	$26,208

NOTE: This database is in mature status. While the data are presented in current year geography, all supply- and demand-related estimates remain vintage 2017.

2017 Industry Summary	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	$514,014,936	$1,346,792,371	-$832,777,435	-44.8	455
Total Retail Trade	44-45	$463,770,430	$1,221,970,353	-$758,199,923	-45.0	328
Total Food & Drink	722	$50,244,506	$124,822,018	-$74,577,512	-42.6	127

2017 Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	$98,025,815	$221,859,738	-$123,833,923	-38.7	41
Automobile Dealers	4411	$78,949,611	$177,250,449	-$98,300,838	-38.4	17
Other Motor Vehicle Dealers	4412	$10,707,712	$20,964,864	-$10,257,152	-32.4	8
Auto Parts, Accessories & Tire Stores	4413	$8,368,492	$23,644,425	-$15,275,933	-47.7	18
Furniture & Home Furnishings Stores	442	$14,418,100	$39,979,317	-$25,561,217	-47.0	25
Furniture Stores	4421	$9,032,464	$33,718,945	-$24,686,481	-57.7	14
Home Furnishings Stores	4422	$5,385,636	$6,260,372	-$874,736	-7.5	11
Electronics & Appliance Stores	443	$16,975,966	$44,005,220	-$27,029,254	-44.3	18
Bldg Materials, Garden Equip. & Supply Stores	444	$29,770,231	$104,127,029	-$74,356,798	-55.5	20
Bldg Material & Supplies Dealers	4441	$26,867,441	$103,764,305	-$76,896,864	-58.9	19
Lawn & Garden Equip & Supply Stores	4442	$2,902,790	$362,724	$2,540,066	77.8	1
Food & Beverage Stores	445	$74,122,940	$213,020,249	-$138,897,309	-48.4	28
Grocery Stores	4451	$61,551,715	$188,737,719	-$127,186,004	-50.8	12
Specialty Food Stores	4452	$3,811,628	$2,627,376	$1,184,252	18.4	6
Beer, Wine & Liquor Stores	4453	$8,759,597	$21,655,154	-$12,895,557	-42.4	10
Health & Personal Care Stores	446,4461	$31,959,811	$55,647,593	-$23,687,782	-27.0	34
Gasoline Stations	447,4471	$53,183,927	$70,024,700	-$16,840,773	-13.7	14
Clothing & Clothing Accessories Stores	448	$24,374,350	$54,384,584	-$30,010,234	-38.1	50
Clothing Stores	4481	$16,776,726	$34,753,634	-$17,976,908	-34.9	29
Shoe Stores	4482	$3,499,319	$10,560,481	-$7,061,162	-50.2	10
Jewelry, Luggage & Leather Goods Stores	4483	$4,098,305	$9,070,469	-$4,972,164	-37.8	11
Sporting Goods, Hobby, Book & Music Stores	451	$14,184,927	$63,441,783	-$49,256,856	-63.5	31
Sporting Goods/Hobby/Musical Instr Stores	4511	$12,148,171	$51,660,597	-$39,512,426	-61.9	25
Book, Periodical & Music Stores	4512	$2,036,756	$11,781,186	-$9,744,430	-70.5	6
General Merchandise Stores	452	$81,299,955	$317,017,641	-$235,717,686	-59.2	14
Department Stores Excluding Leased Depts.	4521	$60,698,456	$231,834,538	-$171,136,082	-58.5	10
Other General Merchandise Stores	4529	$20,601,499	$85,183,103	-$64,581,604	-61.1	4
Miscellaneous Store Retailers	453	$18,144,766	$32,224,019	-$14,079,253	-28.0	53
Florists	4531	$823,068	$3,443,122	-$2,620,054	-61.4	5
Office Supplies, Stationery & Gift Stores	4532	$3,577,703	$7,691,318	-$4,113,615	-36.5	12
Used Merchandise Stores	4533	$2,400,055	$9,555,580	-$7,155,525	-59.9	17
Other Miscellaneous Store Retailers	4539	$11,343,940	$11,533,999	-$190,059	-0.8	19
Nonstore Retailers	454	$7,309,642	$6,238,480	$1,071,162	7.9	2
Electronic Shopping & Mail-Order Houses	4541	$5,758,163	$6,112,262	-$354,099	-3.0	1
Vending Machine Operators	4542	$346,449	$0	$346,449	100.0	0
Direct Selling Establishments	4543	$1,205,030	$126,218	$1,078,812	81.0	1
Food Services & Drinking Places	722	$50,244,506	$124,822,018	-$74,577,512	-42.6	127
Special Food Services	7223	$1,240,741	$2,425,148	-$1,184,407	-32.3	6
Drinking Places - Alcoholic Beverages	7224	$2,824,104	$3,631,915	-$807,811	-12.5	6
Restaurants/Other Eating Places	7225	$46,179,661	$118,764,955	-$72,585,294	-44.0	115

Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the RetailMarketPlace data, please click the link below to view the Methodology Statement.

http://www.esri.com/library/whitepapers/pdfs/esri-data-retail-marketplace.pdf

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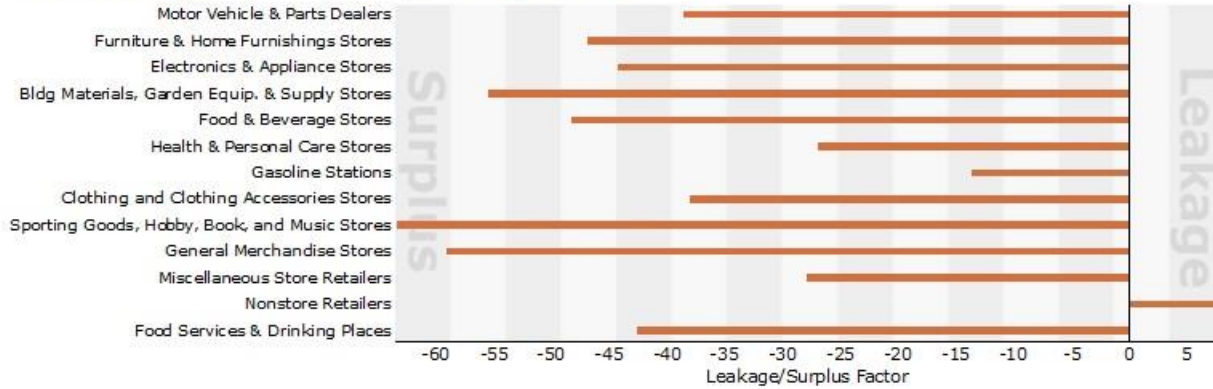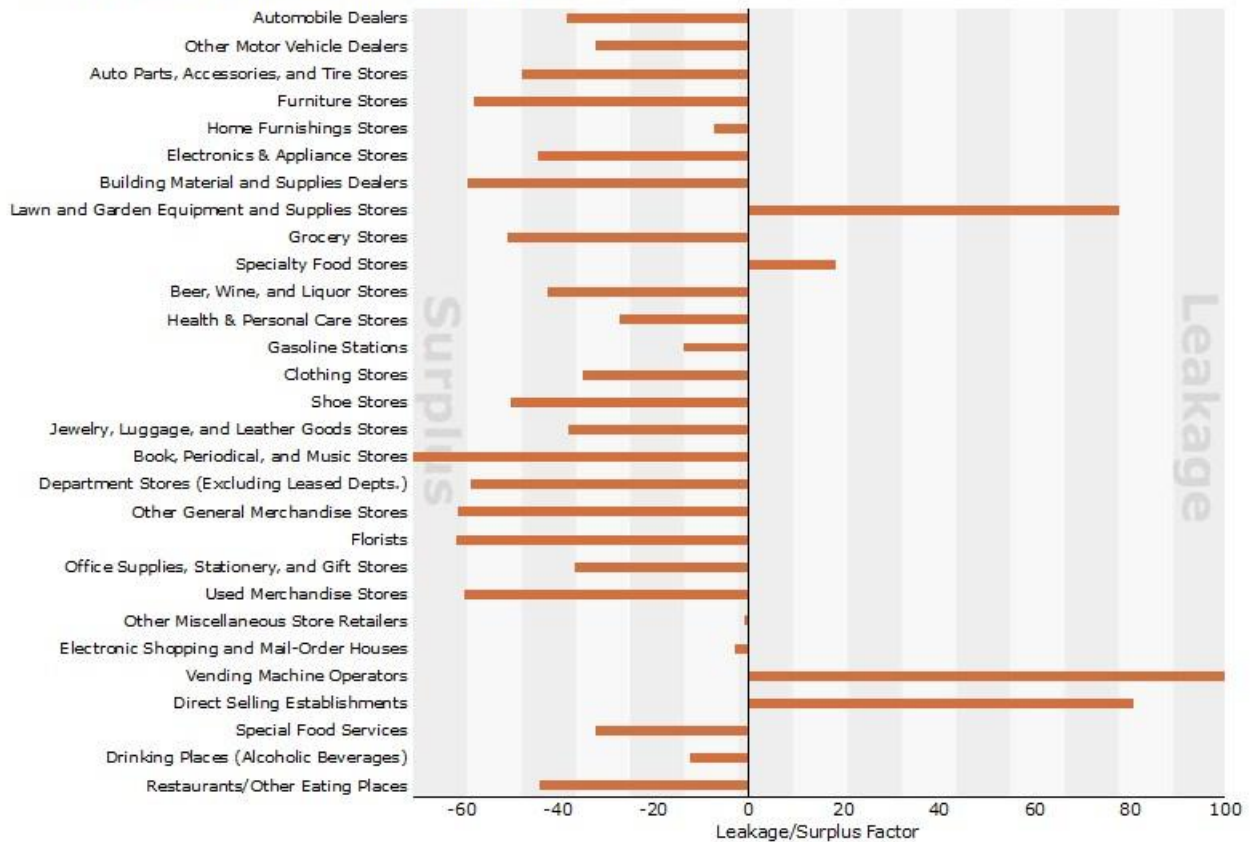**Figure B.11** – Mankato – Retail Gap

2017 Leakage/Surplus Factor by Industry Subsector

2017 Leakage/Surplus Factor by Industry Group

Figure B.12 – Mankato – Leakage/Surplus

Retail MarketPlace Profile

St. Peter City, MN
St. Peter City, MN (2758036)
Geography: Place

Prepared by Esri

Summary Demographics

2021 Population	11,702
2021 Households	3,675
2021 Median Disposable Income	$48,337
2021 Per Capita Income	$24,084

NOTE: This database is in mature status. While the data are presented in current year geography, all supply- and demand-related estimates remain vintage 2017.

2017 Industry Summary	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	$113,864,081	$162,410,132	-$48,546,051	-17.6	75
Total Retail Trade	44-45	$102,885,027	$149,220,126	-$46,335,099	-18.4	54
Total Food & Drink	722	$10,979,054	$13,190,006	-$2,210,952	-9.1	21

2017 Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	$21,860,057	$46,393,294	-$24,533,237	-35.9	8
Automobile Dealers	4411	$17,556,817	$6,560,062	$10,996,755	45.6	2
Other Motor Vehicle Dealers	4412	$2,445,485	$37,806,227	-$35,360,742	-87.8	2
Auto Parts, Accessories & Tire Stores	4413	$1,857,755	$2,027,005	-$169,250	-4.4	4
Furniture & Home Furnishings Stores	442	$3,234,550	$276,838	$2,957,712	84.2	2
Furniture Stores	4421	$1,956,268	$276,838	$1,679,430	75.2	2
Home Furnishings Stores	4422	$1,278,282	$0	$1,278,282	100.0	0
Electronics & Appliance Stores	443	$3,726,505	$8,460,716	-$4,734,211	-38.8	4
Bldg Materials, Garden Equip. & Supply Stores	444	$7,225,924	$6,572,311	$653,613	4.7	7
Bldg Material & Supplies Dealers	4441	$6,557,282	$5,521,800	$1,035,482	8.6	6
Lawn & Garden Equip & Supply Stores	4442	$668,642	$1,050,511	-$381,869	-22.2	1
Food & Beverage Stores	445	$16,172,721	$8,044,585	$8,128,136	33.6	6
Grocery Stores	4451	$13,448,030	$4,172,456	$9,275,574	52.6	3
Specialty Food Stores	4452	$830,987	$569,361	$261,626	18.7	2
Beer, Wine & Liquor Stores	4453	$1,893,704	$3,302,768	-$1,409,064	-27.1	1
Health & Personal Care Stores	446,4461	$7,178,059	$4,566,090	$2,611,969	22.2	2
Gasoline Stations	447,4471	$11,626,362	$62,676,211	-$51,049,849	-68.7	5
Clothing & Clothing Accessories Stores	448	$5,290,712	$1,195,757	$4,094,955	63.1	4
Clothing Stores	4481	$3,635,980	$1,048,983	$2,586,997	55.2	3
Shoe Stores	4482	$775,661	$0	$775,661	100.0	0
Jewelry, Luggage & Leather Goods Stores	4483	$879,071	$146,774	$732,297	71.4	1
Sporting Goods, Hobby, Book & Music Stores	451	$3,100,712	$6,834,162	-$3,733,450	-37.6	4
Sporting Goods/Hobby/Musical Instr Stores	4511	$2,693,905	$6,834,162	-$4,140,257	-43.5	4
Book, Periodical & Music Stores	4512	$406,807	$0	$406,807	100.0	0
General Merchandise Stores	452	$17,892,055	$810,403	$17,081,652	91.3	2
Department Stores Excluding Leased Depts.	4521	$13,358,978	$0	$13,358,978	100.0	0
Other General Merchandise Stores	4529	$4,533,077	$810,403	$3,722,674	69.7	2
Miscellaneous Store Retailers	453	$3,987,481	$3,389,759	$597,722	8.1	10
Florists	4531	$196,611	$293,890	-$97,279	-19.8	1
Office Supplies, Stationery & Gift Stores	4532	$804,920	$690,404	$114,516	7.7	2
Used Merchandise Stores	4533	$500,069	$488,638	$11,431	1.2	4
Other Miscellaneous Store Retailers	4539	$2,485,881	$1,916,827	$569,054	12.9	3
Nonstore Retailers	454	$1,589,889	$0	$1,589,889	100.0	0
Electronic Shopping & Mail-Order Houses	4541	$1,261,789	$0	$1,261,789	100.0	0
Vending Machine Operators	4542	$75,534	$0	$75,534	100.0	0
Direct Selling Establishments	4543	$252,566	$0	$252,566	100.0	0
Food Services & Drinking Places	722	$10,979,054	$13,190,006	-$2,210,952	-9.1	21
Special Food Services	7223	$272,666	$0	$272,666	100.0	0
Drinking Places - Alcoholic Beverages	7224	$615,642	$2,157,073	-$1,541,431	-55.6	3
Restaurants/Other Eating Places	7225	$10,090,746	$11,032,933	-$942,187	-4.5	18

Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please click the link below to view the Methodology Statement.

http://www.esri.com/library/whitepapers/pdfs/esri-data-retail-marketplace.pdf

Figure B.13 – St Peter – Retail Gap

Retail MarketPlace Profile

St. Peter City, MN — Prepared by Esri
St. Peter City, MN (2758036)
Geography: Place

2017 Leakage/Surplus Factor by Industry Subsector

2017 Leakage/Surplus Factor by Industry Group

Source: Esri and Data Axle. Esri 2021 Updated Demographics. Esri 2017 Retail MarketPlace. ©2021 Esri. ©2017 Data Axle, Inc. All rights reserved.
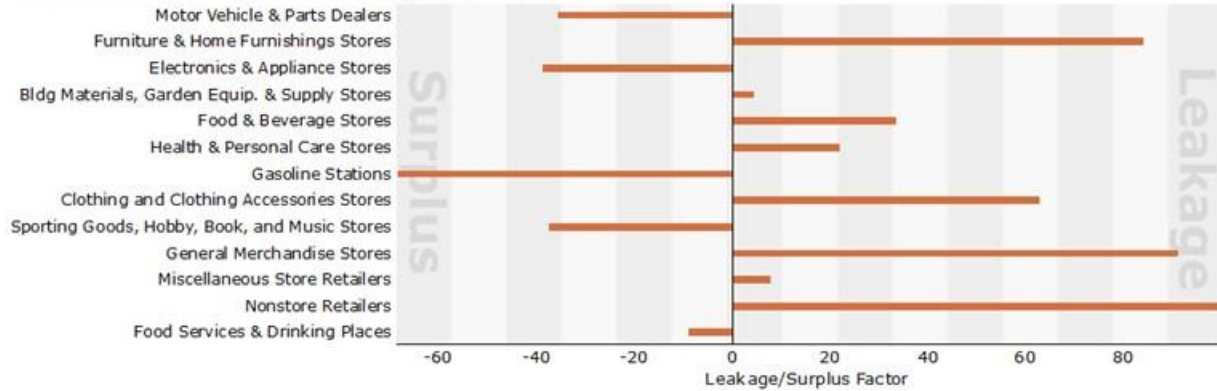
Figure B.14 – St. Peter – Leakage/Surplus

Summary Demographics

2021 Population	9,032
2021 Households	3,567
2021 Median Disposable Income	$39,593
2021 Per Capita Income	$25,949

NOTE: This database is in mature status. While the data are presented in current year geography, all supply- and demand-related estimates remain vintage 2017.

2017 Industry Summary	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	$116,655,475	$104,919,366	$11,736,109	5.3	78
Total Retail Trade	44-45	$105,885,032	$96,636,921	$9,248,111	4.6	53
Total Food & Drink	722	$10,770,443	$8,282,445	$2,487,998	13.1	25

2017 Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	$22,657,328	$10,499,131	$12,158,197	36.7	10
Automobile Dealers	4411	$18,167,154	$7,039,328	$11,127,826	44.1	4
Other Motor Vehicle Dealers	4412	$2,574,763	$0	$2,574,763	100.0	0
Auto Parts, Accessories & Tire Stores	4413	$1,915,411	$3,459,803	-$1,544,392	-28.7	6
Furniture & Home Furnishings Stores	442	$3,188,769	$1,228,827	$1,959,942	44.4	2
Furniture Stores	4421	$1,923,625	$925,000	$998,625	35.1	1
Home Furnishings Stores	4422	$1,265,144	$303,827	$961,317	61.3	1
Electronics & Appliance Stores	443	$3,728,087	$1,299,695	$2,428,392	48.3	2
Bldg Materials, Garden Equip. & Supply Stores	444	$7,576,763	$7,193,261	$383,502	2.6	8
Bldg Material & Supplies Dealers	4441	$6,794,899	$3,638,997	$3,155,902	30.2	5
Lawn & Garden Equip & Supply Stores	4442	$781,864	$3,554,264	-$2,772,400	-63.9	3
Food & Beverage Stores	445	$16,699,902	$5,740,071	$10,959,831	48.8	6
Grocery Stores	4451	$13,939,687	$3,829,250	$10,110,437	56.9	3
Specialty Food Stores	4452	$860,537	$764,957	$95,580	5.9	1
Beer, Wine & Liquor Stores	4453	$1,899,678	$1,145,864	$753,814	24.8	2
Health & Personal Care Stores	446,4461	$7,574,247	$5,072,163	$2,502,084	19.8	4
Gasoline Stations	447,4471	$12,090,914	$12,706,006	-$615,092	-2.5	3
Clothing & Clothing Accessories Stores	448	$5,154,569	$394,141	$4,760,428	85.8	1
Clothing Stores	4481	$3,565,309	$394,141	$3,171,168	80.1	1
Shoe Stores	4482	$745,634	$0	$745,634	100.0	0
Jewelry, Luggage & Leather Goods Stores	4483	$843,626	$0	$843,626	100.0	0
Sporting Goods, Hobby, Book & Music Stores	451	$3,094,953	$1,824,821	$1,270,132	25.8	5
Sporting Goods/Hobby/Musical Instr Stores	4511	$2,684,482	$1,646,215	$1,038,267	24.0	4
Book, Periodical & Music Stores	4512	$410,471	$178,606	$231,865	39.4	1
General Merchandise Stores	452	$18,177,830	$49,318,120	-$31,140,290	-46.1	3
Department Stores Excluding Leased Depts.	4521	$13,508,922	$47,400,000	-$33,891,078	-55.6	1
Other General Merchandise Stores	4529	$4,668,908	$1,918,120	$2,750,788	41.8	2
Miscellaneous Store Retailers	453	$4,253,453	$1,311,220	$2,942,233	52.9	8
Florists	4531	$218,048	$199,887	$18,161	4.3	2
Office Supplies, Stationery & Gift Stores	4532	$799,304	$519,045	$280,259	21.3	4
Used Merchandise Stores	4533	$499,795	$592,288	-$92,493	-8.5	2
Other Miscellaneous Store Retailers	4539	$2,736,306	$0	$2,736,306	100.0	0
Nonstore Retailers	454	$1,688,217	$49,465	$1,638,752	94.3	1
Electronic Shopping & Mail-Order Houses	4541	$1,262,978	$0	$1,262,978	100.0	0
Vending Machine Operators	4542	$77,324	$0	$77,324	100.0	0
Direct Selling Establishments	4543	$347,915	$49,465	$298,450	75.1	1
Food Services & Drinking Places	722	$10,770,443	$8,282,445	$2,487,998	13.1	25
Special Food Services	7223	$279,980	$91,994	$187,986	50.5	1
Drinking Places - Alcoholic Beverages	7224	$603,949	$978,933	-$374,984	-23.7	5
Restaurants/Other Eating Places	7225	$9,886,514	$7,211,518	$2,674,996	15.6	19

Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please click the link below to view the Methodology Statement.

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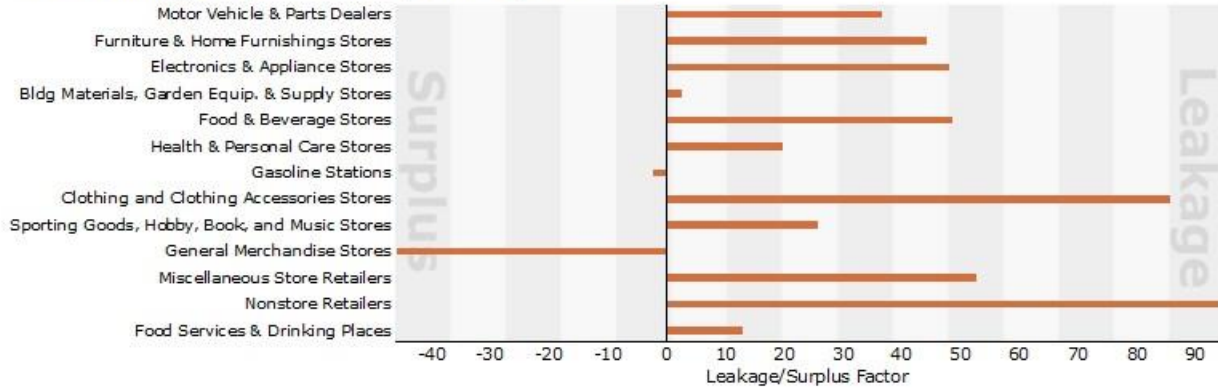**Figure B.15** – Waseca – Retail Gap
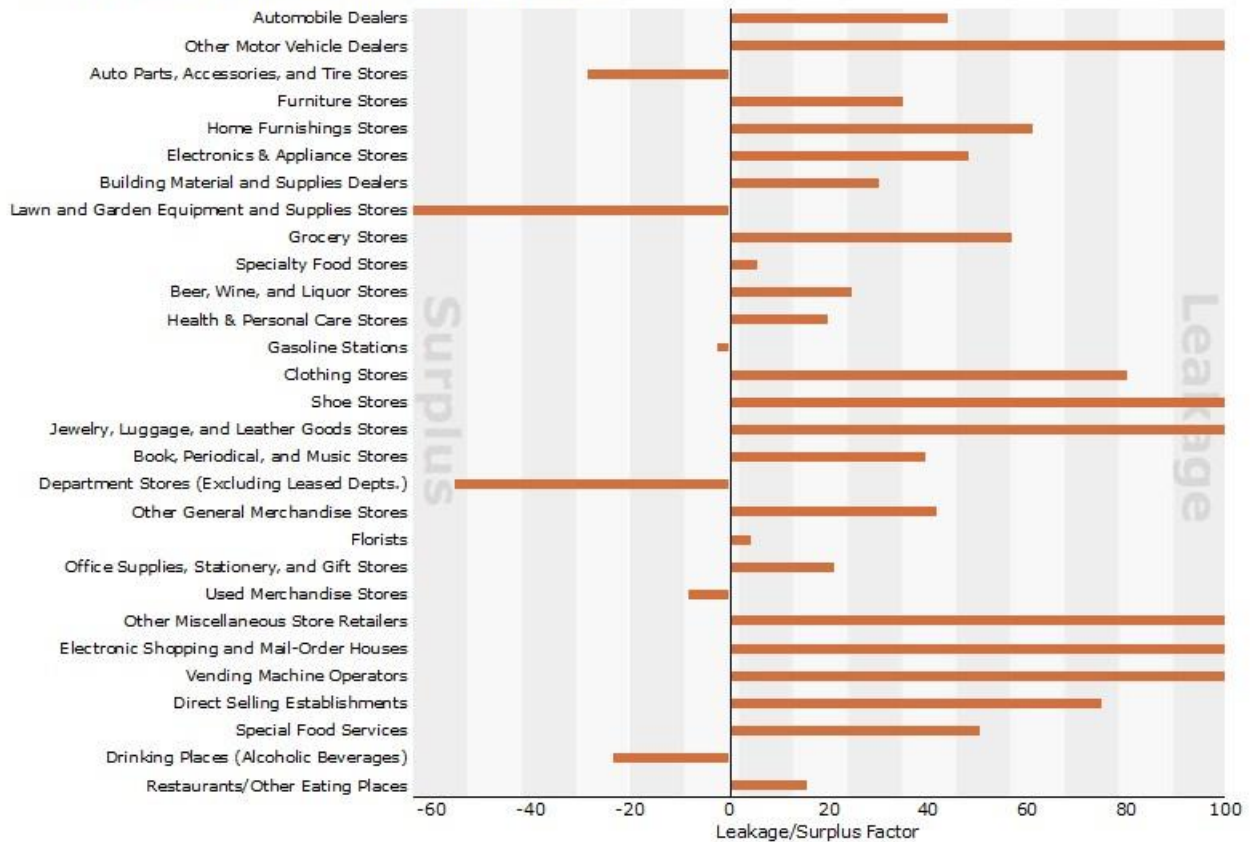
Figure B.16 – Waseca – Leakage/Surplus

Waseca, MN – Retail & Lodging Market Analysis – ©2023 – Cardinal Geographics

Appendix C – Lodging

Economy			
City	Rooms	Days	Room Avail
Albert Lea	196	365	71,540
Blue Earth	42	365	15,330
Faribault	170	365	62,050
Mankato	295	365	107,675
Northfield	24	365	8,760
Owatonna	260	365	94,900
Saint Peter	20	365	7,300
Waseca	51	365	18,615
Total	1,058		386,170

Table C.1 – Economy Lodging

Midscale			
City	Rooms	Days	Room Avail
Albert Lea	203	365	74,095
Blue Earth	37	365	13,505
Faribault		365	-
Mankato	430	365	156,950
Northfield	96	365	35,040
Owatonna	155	365	56,575
Saint Peter	50	365	18,250
Waseca	37	365	13,505
Total	1,008		367,920

Table C.2 – Mid-Scale Lodging

Upper Midscale			
City	Rooms	Days	Room Avail
Albert Lea	260	365	94,900
Blue Earth		365	-
Faribault	121	365	44,165
Mankato	318	365	116,070
Northfield	134	365	48,910
Owatonna	110	365	40,150
Saint Peter	60	365	21,900
Waseca		365	-
Total	1,003		366,095

Table C.3 – Upper Midscale Lodging

Upscale			
City	Rooms	Days	Room Avail
Albert Lea		365	-
Blue Earth		365	-
Faribault		365	-
Mankato	211	365	77,015
Northfield		365	-
Owatonna	106	365	38,690
Saint Peter		365	-
Waseca		365	-
Total	317		115,705

Table C.4 – Upscale Lodging

STR Code	Name of Establishment	Address	City	ST	ZIP	Class	Room
30722	AmericInn Lodge & Suites Albert Lea	811 E Plaza St	Albert Lea	MN	56007	Midscale Class	42
36773	Best Western Plus Albert Lea I 90 I 35 Hotel	821 E Plaza St	Albert Lea	MN	56007	Upper Midscale Class	52
41034	Comfort Inn Albert Lea	810 Happy Trails Ln	Albert Lea	MN	56007	Upper Midscale Class	65
40510	Country Inn & Suites Albert Lea	2214 E Main St	Albert Lea	MN	56007	Upper Midscale Class	77
4901	Countryside Inn Motel	2102 E Main St	Albert Lea	MN	56007	Economy Class	49
1481	Econo Lodge Albert Lea	2306 E Main St	Albert Lea	MN	56007	Economy Class	45
16597	Hilltop Inn	700 US-69	Albert Lea	MN	56007	Economy Class	35
62259	Holiday Inn Express & Suites Albert Lea I 35	77820 E Main St	Albert Lea	MN	56007	Upper Midscale Class	66
8664	Motel 6 Albert Lea	2019 E Main St	Albert Lea	MN	56007	Economy Class	55
68389	Quality Inn & Suites Albert Lea	2306 E Main St	Albert Lea	MN	56007	Midscale Class	56
2654	Ramada Albert Lea	2301 E Main St	Albert Lea	MN	56007	Midscale Class	105
72721	Victorian Rose Inn	609 W Fountain St	Albert Lea	MN	56007	Economy Class	12
34368	AmericInn Lodge & Suites Blue Earth	1495 Domes Dr	Blue Earth	MN	56013	Midscale Class	37
8668	Super 8 Blue Earth	1420 Giant Dr	Blue Earth	MN	56013	Economy Class	42
77729	15008 Lake Mazaska Trl	15008 Mazaska Lake Trail	Faribault	MN	55021	Economy Class	20
30723	Boarders Inn & Suites Faribault	1801 Lavender Dr	Faribault	MN	55021	Upper Midscale Class	62
38071	Days Inn Faribault	1920 Cardinal Ln	Faribault	MN	55021	Economy Class	58
8673	Faribault Hometown Inn & Suites	2509 Lyndale Ave N	Faribault	MN	55021	Economy Class	31
60117	GrandStay Residential Suites Faribault	1500 20th St NW	Faribault	MN	55021	Upper Midscale Class	59
9997	Regency Inn & Suites	4040 MN-60	Faribault	MN	55021	Economy Class	61
37221	AmericInn Hotel & Event Center Mankato	240 Stadium Rd	Mankato	MN	56001	Midscale Class	79
17286	Coratel Inn & Suites by Jasper Mankato	1255 Range St	Mankato	MN	56001	Midscale Class	55
36643	Country Inn & Suites Mankato Hotel & Conference Center	1900 Premier Dr	Mankato	MN	56001	Upper Midscale Class	101
61968	Courtyard Mankato	901 Raintree Rd	Mankato	MN	56001	Upscale Class	93
26917	Days Inn Mankato	1285 Range St	Mankato	MN	56001	Economy Class	50
34475	Fairfield Inn & Suites Mankato	141 Apache Pl	Mankato	MN	56001	Upper Midscale Class	61
56788	Hilton Garden Inn Mankato Downtown	20 Civic Center Plaza	Mankato	MN	56001	Upscale Class	118
56507	Holiday Inn Express & Suites Mankato East	2051 Adams St	Mankato	MN	56001	Upper Midscale Class	88
53110	Microtel Inn & Suites by Wyndham Mankato	200 St Andrews Dr	Mankato	MN	56001	Economy Class	59
67161	Motel 6 Mankato	1731 Premier Dr	Mankato	MN	56001	Economy Class	66
7474	Quality Inn & Suites Mankato	131 Apache Pl	Mankato	MN	56001	Midscale Class	53
52186	River Hills Hotel & Suites	1000 Raintree Rd	Mankato	MN	56001	Midscale Class	53
77635	Riverfront Studio Suites	1708 N Riverfront Dr	Mankato	MN	56001	Midscale Class	39
9995	Riverside Suites	111 W Lind Ct	Mankato	MN	56001	Economy Class	60
1494	SP Hotel Mankato City Center Hotel	101 E Main St	Mankato	MN	56001	Midscale Class	151
8677	Super 8 Mankato	51578 US-169	Mankato	MN	56001	Economy Class	60
75396	Comfort Inn & Suites Mankato	2000 Commerce Dr	North Mankato	MN	56003	Upper Midscale Class	68
39729	AmericInn Lodge & Suites Northfield	1320 Bollenbacher Dr	Northfield	MN	55057	Midscale Class	41
16702	College City Motel	875 MN-3	Northfield	MN	55057	Economy Class	24
9148	Coratel Inn & Suites by Jasper Northfield	1420 Riverview Dr	Northfield	MN	55057	Midscale Class	55
13658	Country Inn & Suites Northfield	300 MN-3	Northfield	MN	55057	Upper Midscale Class	54
67550	Fairfield Inn & Suites Northfield	114 2nd St W	Northfield	MN	55057	Upper Midscale Class	80
29454	Baymont Inn & Suites Owatonna	245 Florence Ave	Owatonna	MN	55060	Midscale Class	93
29846	Best Budget Inn	1180 Frontage Rd W	Owatonna	MN	55060	Economy Class	30
37386	Comfort Inn Owatonna Near Medical Center	2345 43rd St NW	Owatonna	MN	55060	Upper Midscale Class	62
22950	Country Inn & Suites Owatonna	130 Allan Ave	Owatonna	MN	55060	Upper Midscale Class	48
76119	Courtyard by Marriott Owatonna Downtown	225 N Cedar Ave	Owatonna	MN	55060	Upscale Class	106
41096	Motel 6 Owatonna - Near Medical Center	2365 43rd St NW	Owatonna	MN	55060	Economy Class	107
30095	Oakdale Motel	1418 S Oak Ave	Owatonna	MN	55060	Economy Class	13
39613	Quality Inn Owatonna	150 St John Dr	Owatonna	MN	55060	Midscale Class	62
70285	Studio 6 Owatonna - Near Medical Center	2365 43rd St NW	Owatonna	MN	55060	Economy Class	23
11222	Super 8 by Wyndham Owatonna	1150 Frontage Rd W	Owatonna	MN	55060	Economy Class	60
16704	Value Stay Inn	745 State Ave	Owatonna	MN	55060	Economy Class	27
17656	AmericInn Hotel & Suites St Peter	700 N Minnesota Ave	Saint Peter	MN	56082	Midscale Class	50
68599	Best Western Plus Saint Peter	1301 Old Minnesota Ave	Saint Peter	MN	56082	Upper Midscale Class	60
16738	Viking Jr Motel	216 Martin St	Saint Peter	MN	56082	Economy Class	20
17665	American Motel	1313 N State St	Waseca	MN	56093	Economy Class	51
34081	GrandStay Hotel & Suites Waseca	2201 N State St	Waseca	MN	56093	Midscale Class	37

Table C.5 – Lodging Establishments

Waseca, MN – Retail & Lodging Market Analysis – ©2023 – Cardinal Geographics

Economy												
Rooms Available	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Days open	*31*	*28*	*31*	*30*	*31*	*30*	*31*	*31*	*30*	*31*	*30*	*31*
Albert Lea	6,076	5,488	6,076	5,880	6,076	5,880	6,076	6,076	5,880	6,076	5,880	6,076
Blue Earth	1,302	1,176	1,302	1,260	1,302	1,260	1,302	1,302	1,260	1,302	1,260	1,302
Faribault	5,270	4,760	5,270	5,100	5,270	5,100	5,270	5,270	5,100	5,270	5,100	5,270
Mankato	9,145	8,260	9,145	8,850	9,145	8,850	9,145	9,145	8,850	9,145	8,850	9,145
Northfield	744	672	744	720	744	720	744	744	720	744	720	744
Owatonna	8,060	7,280	8,060	7,800	8,060	7,800	8,060	8,060	7,800	8,060	7,800	8,060
Saint Peter	620	560	620	600	620	600	620	620	600	620	600	620
Waseca	1,581	1,428	1,581	1,530	1,581	1,530	1,581	1,581	1,530	1,581	1,530	1,581
Total	**32,798**	**29,624**	**32,798**	**31,740**	**32,798**	**31,740**	**32,798**	**32,798**	**31,740**	**32,798**	**31,740**	**32,798**

Table C.6 – Economy – Rooms available per month

Midscale												
Rooms Available	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Days open	*31*	*28*	*31*	*30*	*31*	*30*	*31*	*31*	*30*	*31*	*30*	*31*
Albert Lea	6,293	5,684	6,293	6,090	6,293	6,090	6,293	6,293	6,090	6,293	6,090	6,293
Blue Earth	1,147	1,036	1,147	1,110	1,147	1,110	1,147	1,147	1,110	1,147	1,110	1,147
Faribault	-	-	-	-	-	-	-	-	-	-	-	-
Mankato	13,330	12,040	13,330	12,900	13,330	12,900	13,330	13,330	12,900	13,330	12,900	13,330
Northfield	2,976	2,688	2,976	2,880	2,976	2,880	2,976	2,976	2,880	2,976	2,880	2,976
Owatonna	4,805	4,340	4,805	4,650	4,805	4,650	4,805	4,805	4,650	4,805	4,650	4,805
Saint Peter	1,550	1,400	1,550	1,500	1,550	1,500	1,550	1,550	1,500	1,550	1,500	1,550
Waseca	1,147	1,036	1,147	1,110	1,147	1,110	1,147	1,147	1,110	1,147	1,110	1,147
Total	**31,248**	**28,224**	**31,248**	**30,240**	**31,248**	**30,240**	**31,248**	**31,248**	**30,240**	**31,248**	**30,240**	**31,248**

Table C.7 – Midscale – Rooms available per month

Upper Midscale												
Rooms Available	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Days open	*31*	*28*	*31*	*30*	*31*	*30*	*31*	*31*	*30*	*31*	*30*	*31*
Albert Lea	8,060	7,280	8,060	7,800	8,060	7,800	8,060	8,060	7,800	8,060	7,800	8,060
Blue Earth	-	-	-	-	-	-	-	-	-	-	-	-
Faribault	3,751	3,388	3,751	3,630	3,751	3,630	3,751	3,751	3,630	3,751	3,630	3,751
Mankato	9,858	8,904	9,858	9,540	9,858	9,540	9,858	9,858	9,540	9,858	9,540	9,858
Northfield	4,154	3,752	4,154	4,020	4,154	4,020	4,154	4,154	4,020	4,154	4,020	4,154
Owatonna	3,410	3,080	3,410	3,300	3,410	3,300	3,410	3,410	3,300	3,410	3,300	3,410
Saint Peter	1,860	1,680	1,860	1,800	1,860	1,800	1,860	1,860	1,800	1,860	1,800	1,860
Waseca	-	-	-	-	-	-	-	-	-	-	-	-
Total	**31,093**	**28,084**	**31,093**	**30,090**	**31,093**	**30,090**	**31,093**	**31,093**	**30,090**	**31,093**	**30,090**	**31,093**

Table C.8 – Upper Midscale – Rooms available per month

Upscale												
Rooms Available	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Days open	*31*	*28*	*31*	*30*	*31*	*30*	*31*	*31*	*30*	*31*	*30*	*31*
Albert Lea	-	-	-	-	-	-	-	-	-	-	-	-
Blue Earth	-	-	-	-	-	-	-	-	-	-	-	-
Faribault	-	-	-	-	-	-	-	-	-	-	-	-
Mankato	6,541	5,908	6,541	6,330	6,541	6,330	6,541	6,541	6,330	6,541	6,330	6,541
Northfield												
Owatonna	3,286	2,968	3,286	3,180	3,286	3,180	3,286	3,286	3,180	3,286	3,180	3,286
Saint Peter												
Waseca												
Total	**9,827**	**8,876**	**9,827**	**9,510**	**9,827**	**9,510**	**9,827**	**9,827**	**9,510**	**9,827**	**9,510**	**9,827**

Table C.9 – Upscale – Rooms available per month

Economy												
Rooms Sold	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Occupancy	*37.7%*	*41.2%*	*42.2%*	*47.4%*	*55.2%*	*64.5%*	*65.6%*	*65.5%*	*62.5%*	*59.9%*	*46.0%*	*40.7%*
Albert Lea	2,290	2,264	2,566	2,790	3,353	3,792	3,984	3,980	3,674	3,638	2,704	2,472
Blue Earth	491	485	550	598	719	813	854	853	787	779	579	530
Faribault	1,986	1,963	2,225	2,420	2,908	3,289	3,456	3,452	3,187	3,155	2,346	2,144
Mankato	3,447	3,407	3,861	4,199	5,047	5,708	5,996	5,990	5,530	5,475	4,070	3,721
Northfield	280	277	314	342	411	464	488	487	450	445	331	303
Owatonna	3,038	3,003	3,403	3,701	4,448	5,031	5,285	5,279	4,874	4,825	3,587	3,279
Saint Peter	234	231	262	285	342	387	407	406	375	371	276	252
Waseca	596	589	668	726	872	987	1,037	1,036	956	947	704	643
Total	12,361	12,219	13,849	15,059	18,100	20,471	21,506	21,482	19,834	19,636	14,598	13,344

Table C.10 – Economy – Rooms by occupancy rate per month

Midscale												
Rooms Sold	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Occupancy	*37.7%*	*41.2%*	*42.2%*	*47.4%*	*55.2%*	*64.5%*	*65.6%*	*65.5%*	*62.5%*	*59.9%*	*46.0%*	*40.7%*
Albert Lea	2,372	2,344	2,657	2,889	3,473	3,928	4,126	4,122	3,806	3,768	2,801	2,560
Blue Earth	432	427	484	527	633	716	752	751	694	687	511	467
Faribault	-	-	-	-	-	-	-	-	-	-	-	-
Mankato	5,024	4,966	5,628	6,120	7,356	8,320	8,740	8,731	8,061	7,980	5,933	5,424
Northfield	1,122	1,109	1,257	1,366	1,642	1,857	1,951	1,949	1,800	1,782	1,325	1,211
Owatonna	1,811	1,790	2,029	2,206	2,652	2,999	3,151	3,147	2,906	2,877	2,139	1,955
Saint Peter	584	577	654	712	855	967	1,016	1,015	937	928	690	631
Waseca	432	427	484	527	633	716	752	751	694	687	511	467
Total	11,777	11,641	13,194	14,347	17,244	19,503	20,489	20,467	18,897	18,708	13,908	12,714

Table C.11 – Midscale – Rooms by occupancy rate per month

Upper Midscale												
Rooms Sold	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Occupancy	*37.7%*	*41.2%*	*42.2%*	*47.4%*	*55.2%*	*64.5%*	*65.6%*	*65.5%*	*62.5%*	*59.9%*	*46.0%*	*40.7%*
Albert Lea	3,038	3,003	3,403	3,701	4,448	5,031	5,285	5,279	4,874	4,825	3,587	3,279
Blue Earth	-	-	-	-	-	-	-	-	-	-	-	-
Faribault	1,414	1,397	1,584	1,722	2,070	2,341	2,460	2,457	2,268	2,246	1,669	1,526
Mankato	3,715	3,673	4,162	4,526	5,440	6,153	6,464	6,457	5,961	5,902	4,388	4,011
Northfield	1,566	1,548	1,754	1,907	2,292	2,593	2,724	2,721	2,512	2,487	1,849	1,690
Owatonna	1,285	1,270	1,440	1,566	1,882	2,128	2,236	2,233	2,062	2,042	1,518	1,387
Saint Peter	701	693	785	854	1,026	1,161	1,220	1,218	1,125	1,114	828	757
Waseca	-	-	-	-	-	-	-	-	-	-	-	-
Total	11,718	11,584	13,129	14,276	17,159	19,406	20,388	20,365	18,803	18,615	13,839	12,651

Table C.12 – Upper Midscale – Rooms by occupancy rate per month

Upscale												
Rooms Sold	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Occupancy	*37.7%*	*41.2%*	*42.2%*	*47.4%*	*55.2%*	*64.5%*	*65.6%*	*65.5%*	*62.5%*	*59.9%*	*46.0%*	*40.7%*
Albert Lea	-	-	-	-	-	-	-	-	-	-	-	-
Blue Earth	-	-	-	-	-	-	-	-	-	-	-	-
Faribault	-	-	-	-	-	-	-	-	-	-	-	-
Mankato	2,465	2,437	2,762	3,003	3,610	4,083	4,289	4,284	3,956	3,916	2,911	2,661
Northfield	-	-	-	-	-	-	-	-	-	-	-	-
Owatonna	1,238	1,224	1,387	1,509	1,813	2,051	2,155	2,152	1,987	1,967	1,463	1,337
Saint Peter	-	-	-	-	-	-	-	-	-	-	-	-
Waseca	-	-	-	-	-	-	-	-	-	-	-	-
Total	3,704	3,661	4,149	4,512	5,423	6,133	6,444	6,436	5,943	5,883	4,374	3,998

Table C.13 – Upscale – Rooms by occupancy rate per month

Economy													
Revenue	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
ADR	*$99*	*$92*	*$92*	*$93*	*$100*	*$108*	*$109*	*$110*	*$108*	*$107*	*$100*	*$98*	
Albert Lea	$211,392	$208,963	$235,265	$260,270	$336,602	$408,103	$436,207	$439,618	$395,711	$391,754	$288,080	$246,011	$3,857,976
Blue Earth	$48,412	$44,778	$50,414	$55,772	$72,129	$87,451	$93,473	$94,204	$84,795	$83,947	$61,731	$52,717	$829,822
Faribault	$195,952	$181,243	$204,057	$225,744	$291,951	$353,967	$378,343	$381,301	$343,218	$339,786	$249,865	$213,377	$3,358,805
Mankato	$340,034	$314,510	$354,099	$391,733	$506,620	$614,237	$656,537	$661,670	$595,585	$589,629	$433,590	$370,271	$5,828,515
Northfield	$27,664	$25,587	$28,808	$31,870	$41,217	$49,972	$53,413	$53,831	$48,454	$47,970	$35,275	$30,124	$474,184
Owatonna	$299,691	$277,195	$312,087	$345,256	$446,513	$541,361	$578,642	$583,167	$524,922	$519,673	$382,147	$326,341	$5,136,996
Saint Peter	$23,053	$21,323	$24,007	$26,558	$34,347	$41,643	$44,511	$44,859	$40,379	$39,975	$29,396	$25,103	$395,154
Waseca	$58,786	$54,373	$61,217	$67,723	$87,585	$106,190	$113,503	$114,390	$102,966	$101,936	$74,960	$64,013	$1,007,642
Total	**$1,204,984**	**$1,127,972**	**$1,269,953**	**$1,404,927**	**$1,816,964**	**$2,202,924**	**$2,354,629**	**$2,373,041**	**$2,136,030**	**$2,114,670**	**$1,555,044**	**$1,327,955**	**$20,889,095**

Table C.14 – Economy – Revenue by month based on average monthly rate and occupancy rate

Midscale													
Revenue	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
ADR	*$99*	*$92*	*$92*	*$93*	*$100*	*$108*	*$109*	*$110*	*$108*	*$107*	*$100*	*$98*	
Albert Lea	$218,942	$216,426	$243,668	$269,565	$348,624	$422,678	$451,786	$455,319	$409,843	$405,745	$298,369	$254,797	$3,995,761
Blue Earth	$42,648	$39,447	$44,412	$49,133	$63,542	$77,040	$82,345	$82,989	$74,700	$73,953	$54,382	$46,441	$731,034
Faribault	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Mankato	$495,643	$458,439	$516,144	$571,001	$738,464	$895,328	$956,985	$964,468	$868,141	$859,459	$632,012	$539,717	$8,495,802
Northfield	$110,655	$102,349	$115,232	$127,479	$164,866	$199,887	$213,653	$215,323	$193,818	$191,879	$141,100	$120,495	$1,896,737
Owatonna	$178,662	$165,251	$186,052	$205,826	$266,190	$322,735	$344,960	$347,657	$312,935	$309,805	$227,818	$194,549	$3,062,440
Saint Peter	$57,633	$53,307	$60,017	$66,395	$85,868	$104,108	$111,277	$112,147	$100,947	$99,937	$73,490	$62,758	$987,884
Waseca	$42,648	$39,447	$44,412	$49,133	$63,542	$77,040	$82,345	$82,989	$74,700	$73,953	$54,382	$46,441	$731,034
Total	**$1,146,832**	**$1,074,665**	**$1,209,937**	**$1,338,532**	**$1,731,096**	**$2,098,816**	**$2,243,352**	**$2,260,893**	**$2,035,084**	**$2,014,733**	**$1,481,554**	**$1,265,198**	**$19,900,692**

Table C.15 – Midscale – Revenue by month based on average monthly rate and occupancy rate

Upper Midscale													
Revenue	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
ADR	*$99*	*$92*	*$92*	*$93*	*$100*	*$108*	*$109*	*$110*	*$108*	*$107*	*$100*	*$98*	
Albert Lea	$280,419	$277,195	$312,087	$345,256	$446,513	$541,361	$578,642	$583,167	$524,922	$519,673	$382,147	$326,341	$5,117,724
Blue Earth	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Faribault	$139,472	$129,002	$145,240	$160,677	$207,800	$251,941	$269,291	$271,397	$244,574	$241,848	$177,845	$151,874	$2,390,679
Mankato	$366,545	$339,031	$381,706	$422,275	$546,120	$662,127	$707,724	$713,258	$642,020	$635,600	$467,395	$399,140	$6,282,942
Northfield	$154,456	$142,862	$160,845	$177,940	$230,126	$279,009	$298,223	$300,555	$270,537	$267,832	$196,953	$168,191	$2,647,529
Owatonna	$126,792	$117,275	$132,037	$146,070	$188,909	$229,037	$244,810	$246,724	$222,083	$219,862	$161,678	$138,067	$2,173,345
Saint Peter	$69,160	$63,968	$72,020	$79,674	$103,041	$124,930	$133,533	$134,577	$121,136	$119,925	$88,188	$75,309	$1,185,461
Waseca	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total	**$1,136,844**	**$1,069,334**	**$1,203,935**	**$1,331,892**	**$1,722,510**	**$2,088,405**	**$2,232,224**	**$2,249,679**	**$2,024,989**	**$2,004,739**	**$1,474,205**	**$1,258,922**	**$19,797,678**

Table C.16 – Upper Midscale – Revenue by month based on average monthly rate and occupancy rate

Upscale													
Revenue	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
ADR	*$99*	*$92*	*$92*	*$93*	*$100*	*$108*	*$109*	*$110*	*$108*	*$107*	*$100*	*$98*	
Albert Lea	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Blue Earth	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Faribault	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Mankato	$243,211	$224,955	$253,270	$280,189	$362,362	$439,336	$469,591	$473,262	$425,995	$421,735	$310,127	$264,838	$4,168,870
Northfield	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Owatonna	$122,182	$113,010	$127,235	$140,758	$182,040	$220,709	$235,908	$237,753	$214,007	$211,867	$155,798	$133,047	$2,094,314
Saint Peter	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Waseca	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total	**$365,393**	**$337,965**	**$380,506**	**$420,947**	**$544,402**	**$660,044**	**$705,499**	**$711,015**	**$640,002**	**$633,601**	**$465,925**	**$397,885**	**$6,263,184**

Table C.17 – Upscale – Revenue by month based on average monthly rate and occupancy rate

Appendix D – Thematic Maps

This section includes descriptive thematic maps which illustrate population concentrations, median household income, household buying power, owner occupied households, educational attainment levels, Annual Average Daily Trips, and 30-minute drive-time rings.
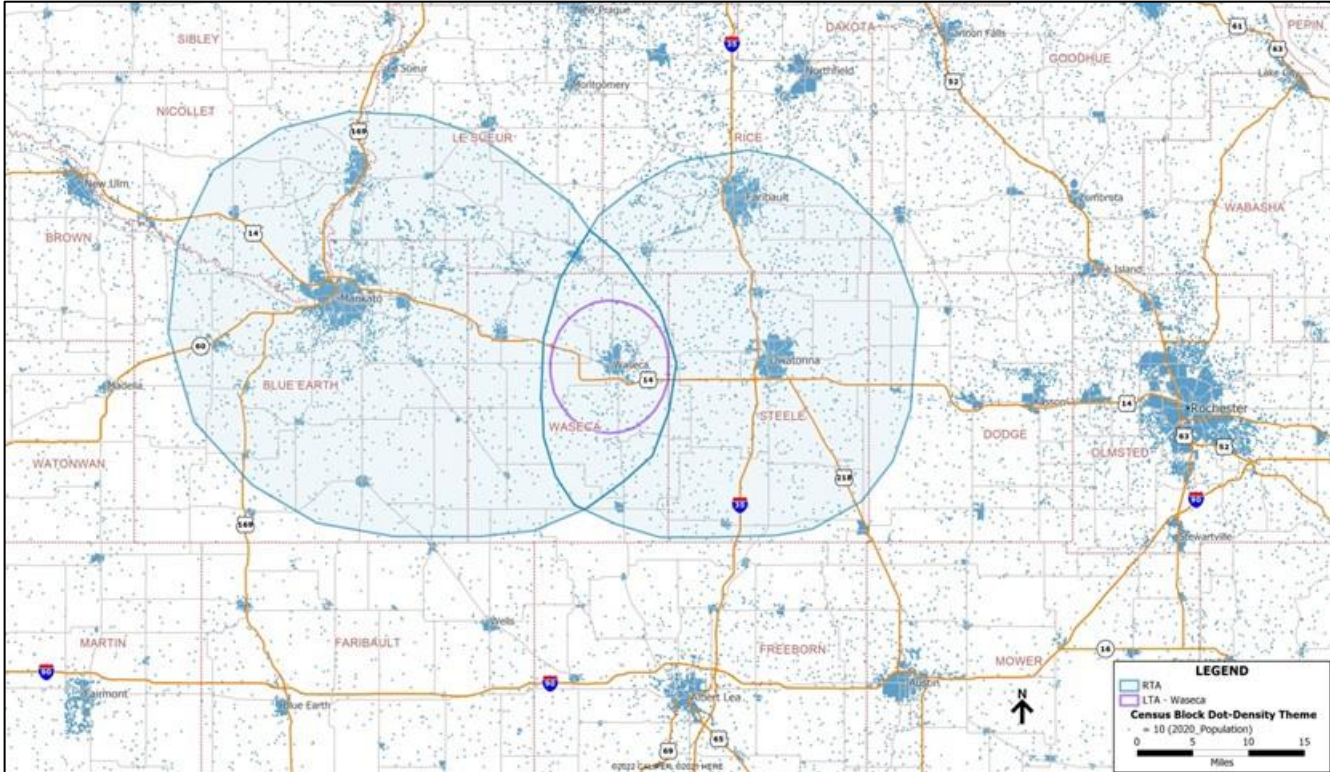

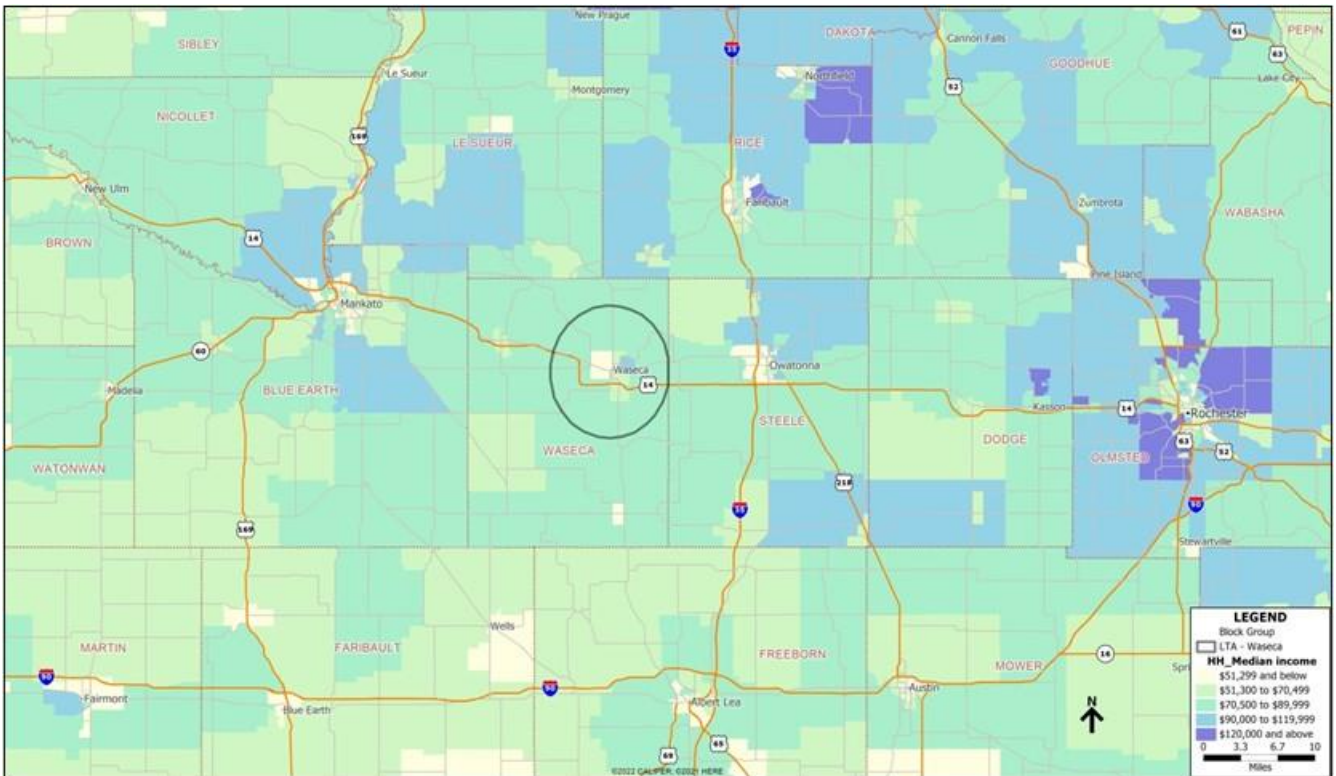**Figure D.1** – Population (dot-density) map. 1 dot equals 10 people.

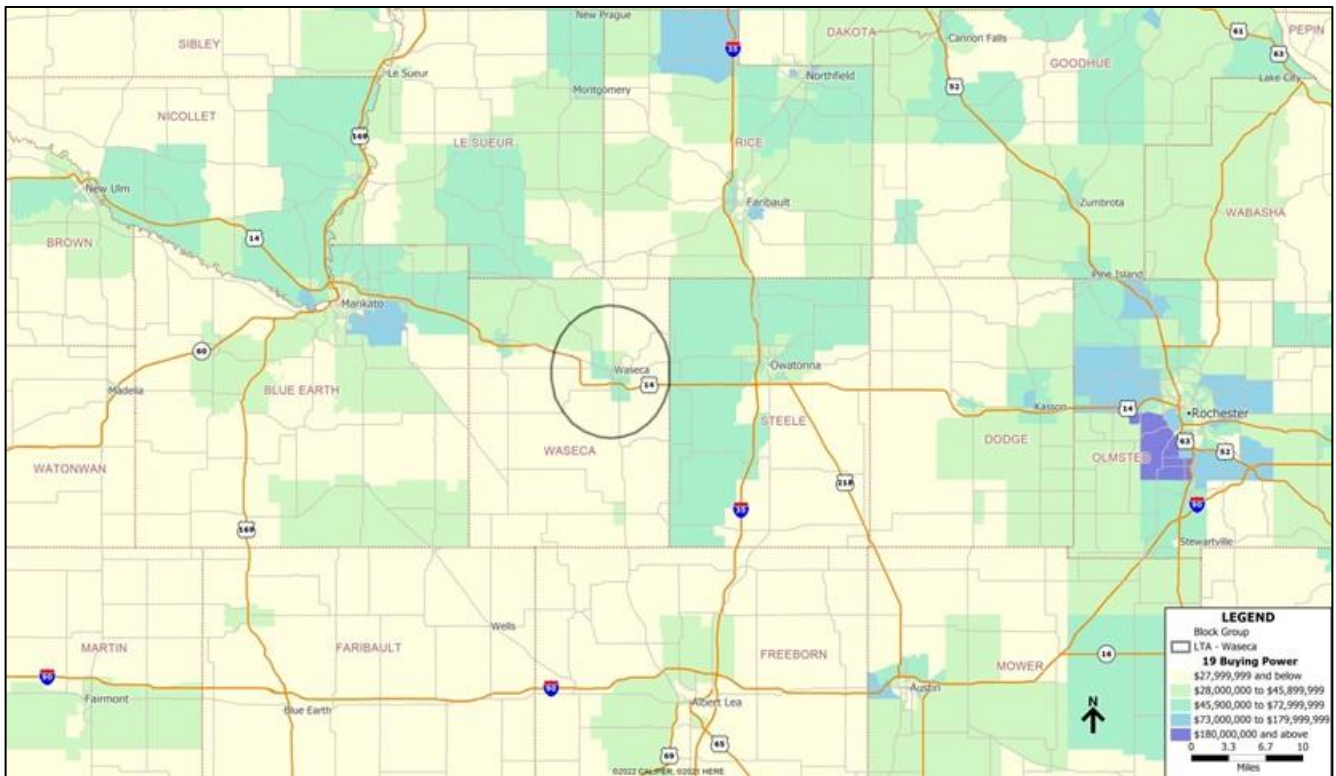Waseca, MN – Retail & Lodging Market Analysis – ©2023 – Cardinal Geographics

Figure D.2 – Household Median Income

Figure D.3 – Household Buying Power (2019)
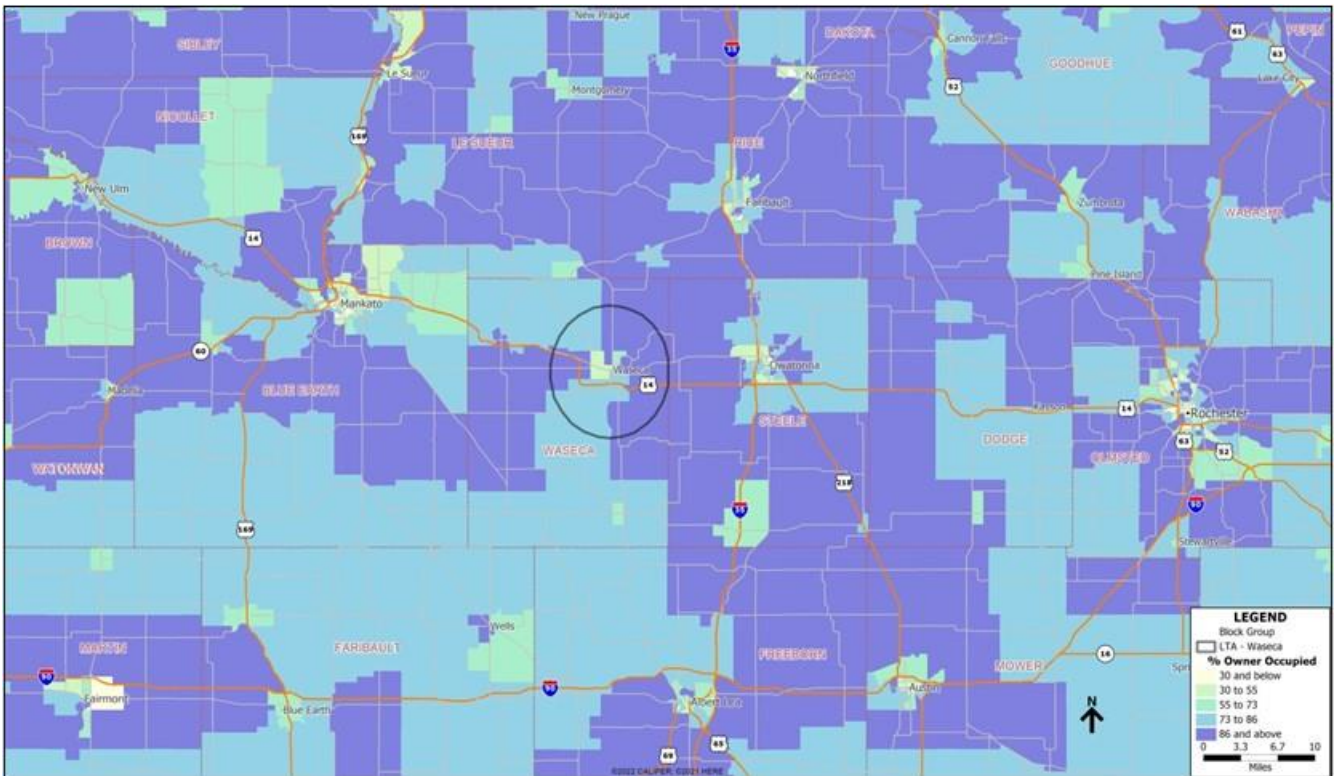
Figure D.4 – Percent Owner-Occupied Households
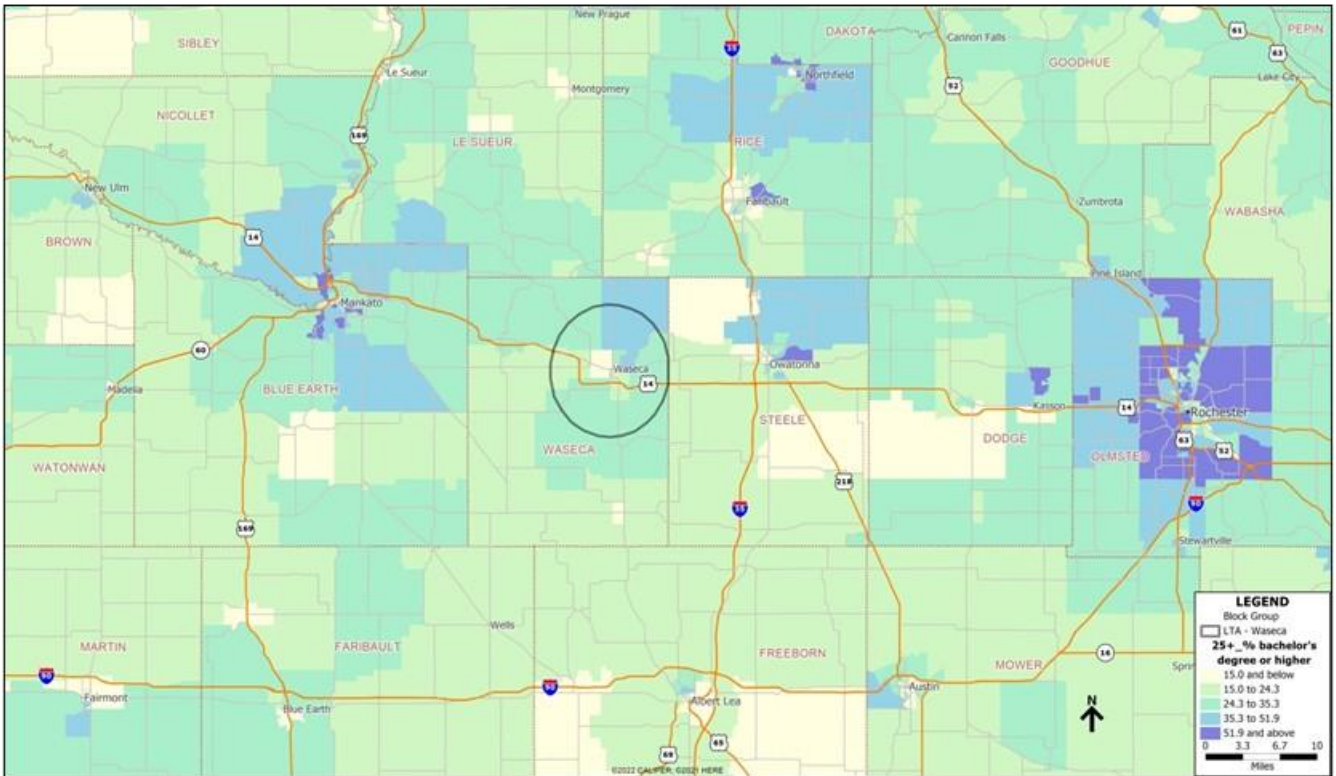
Figure D.5 – Percent Population over 25 with a College Degree

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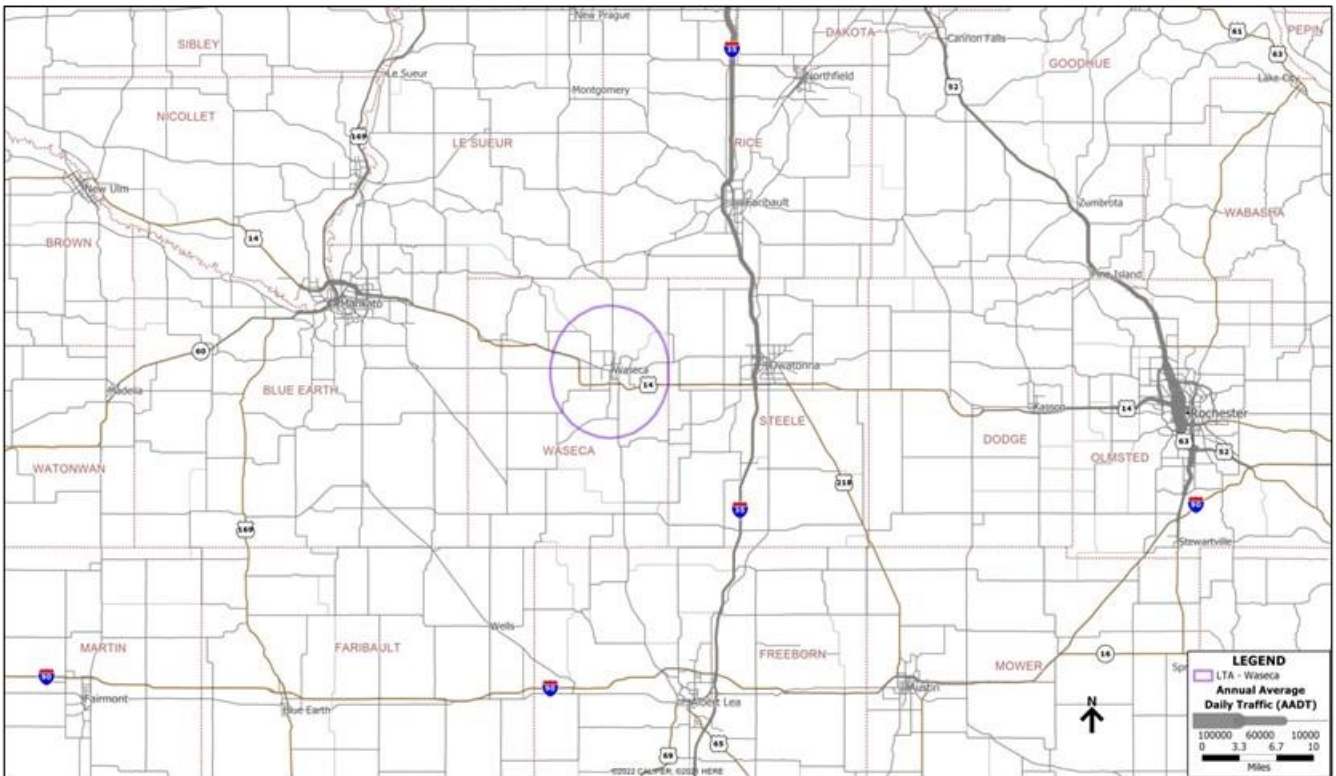
Figure D.6 – Daily Traffic Volume Map (Annual Average Daily Trips
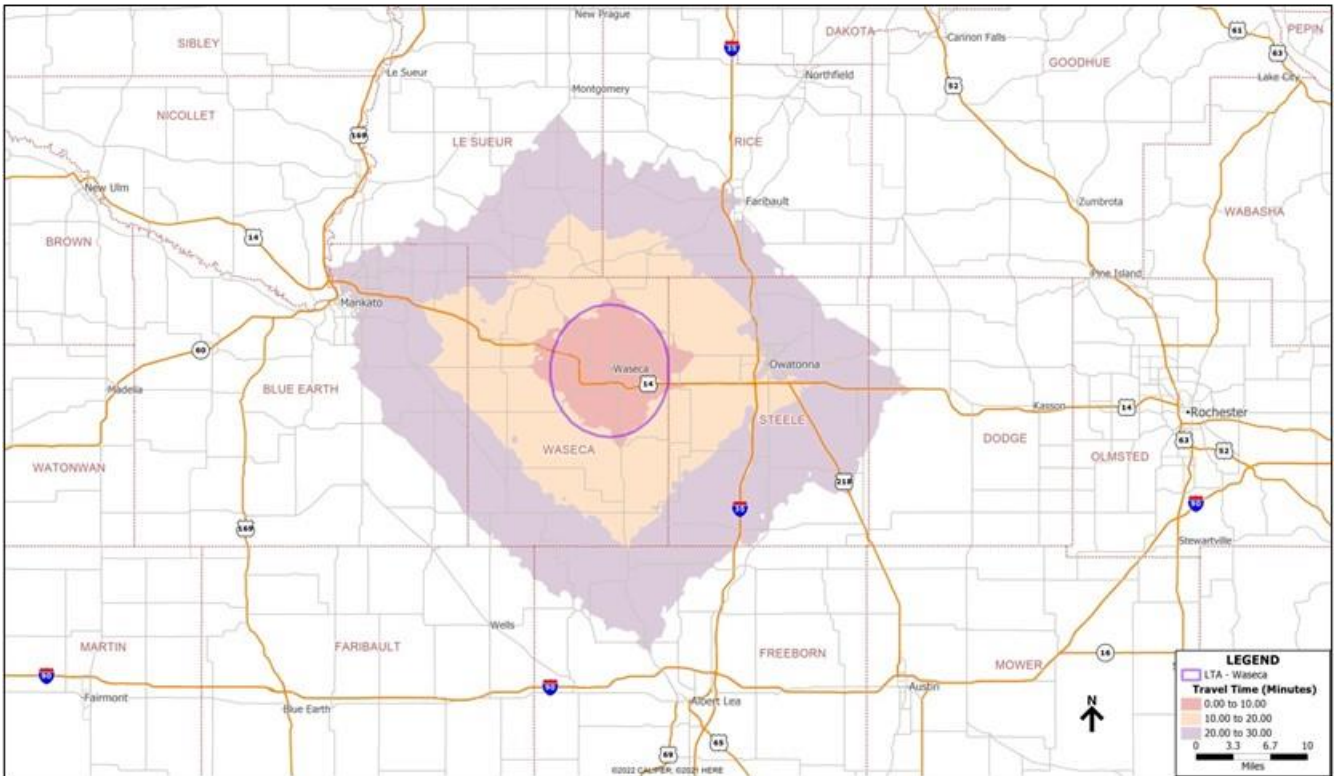
Figure D.7 – 30 Minute Drive Time Map with 10 Minute increments

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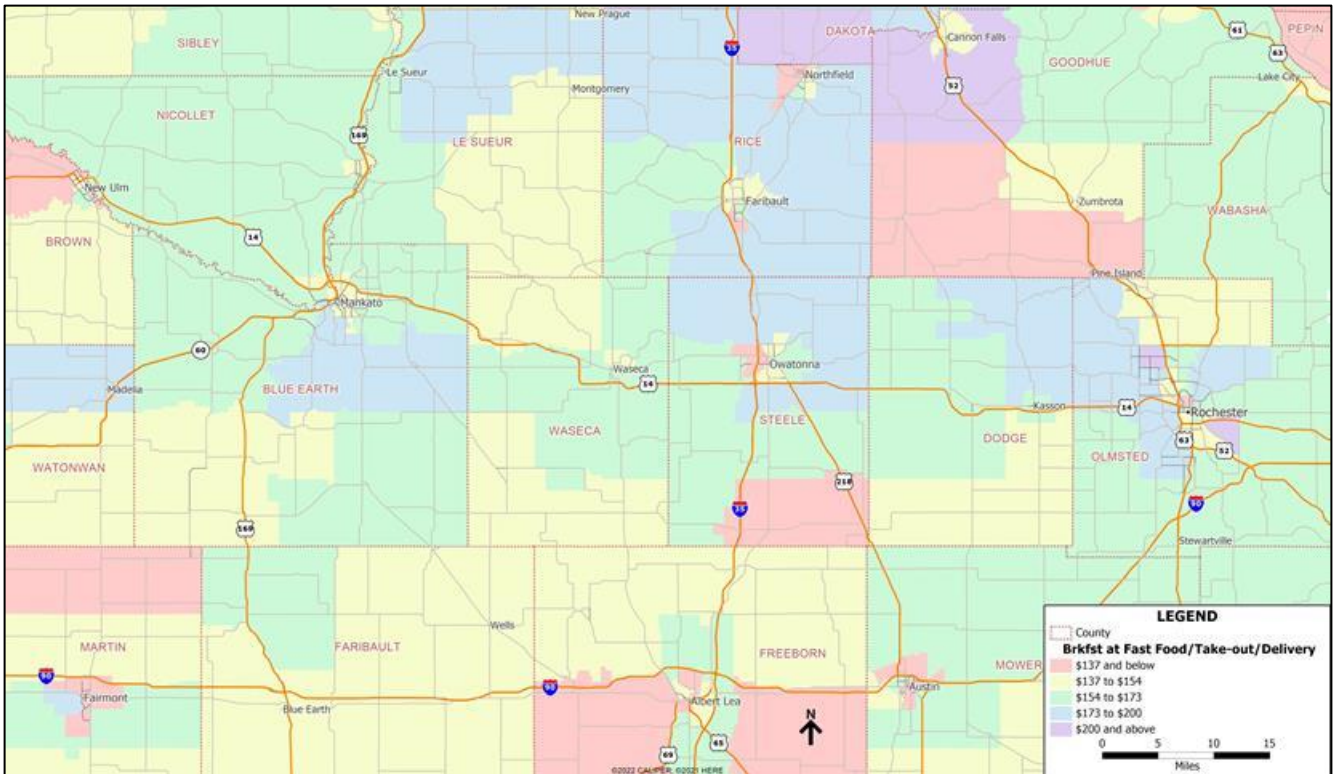
Figure D.8 – Consumer Expenditure – Breakfast at Fast Food/Take Out/Delivery
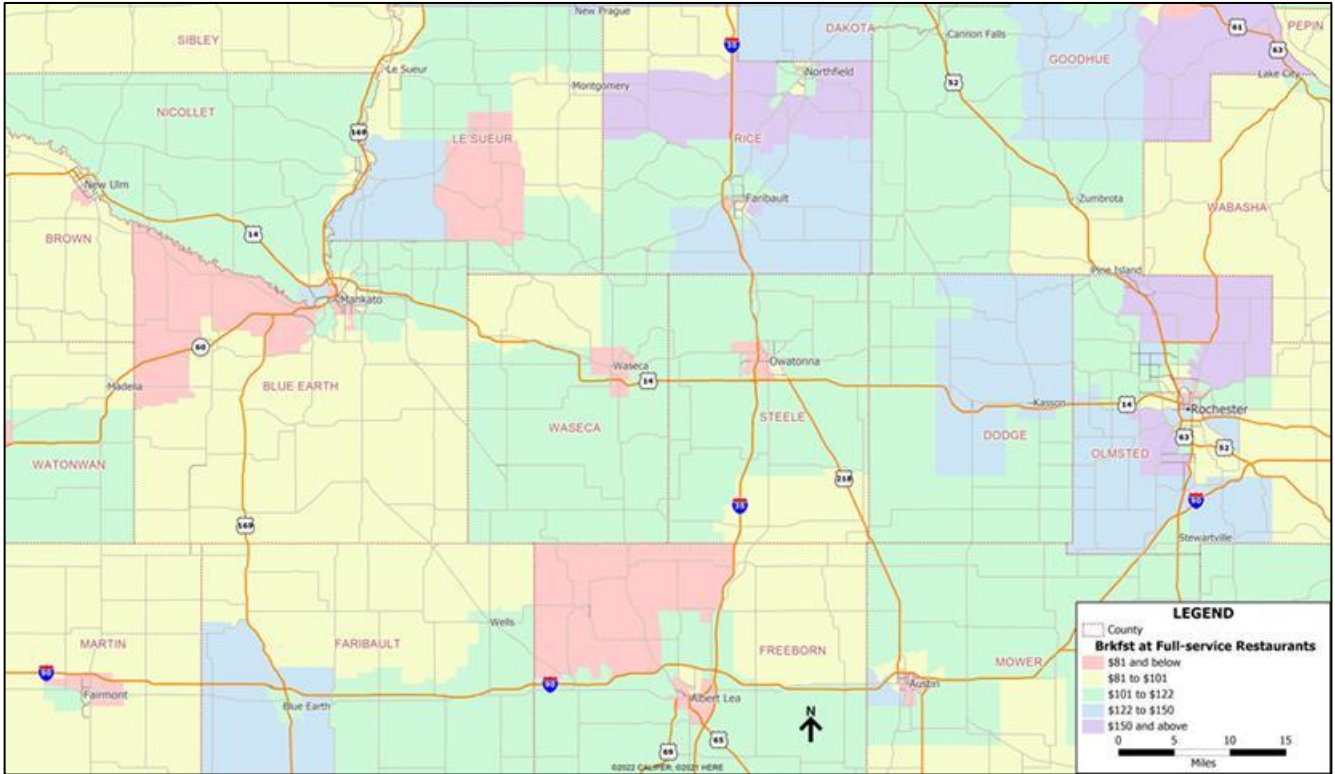
Figure D.9 – Consumer Expenditure – Breakfast at Full Service Restaurant
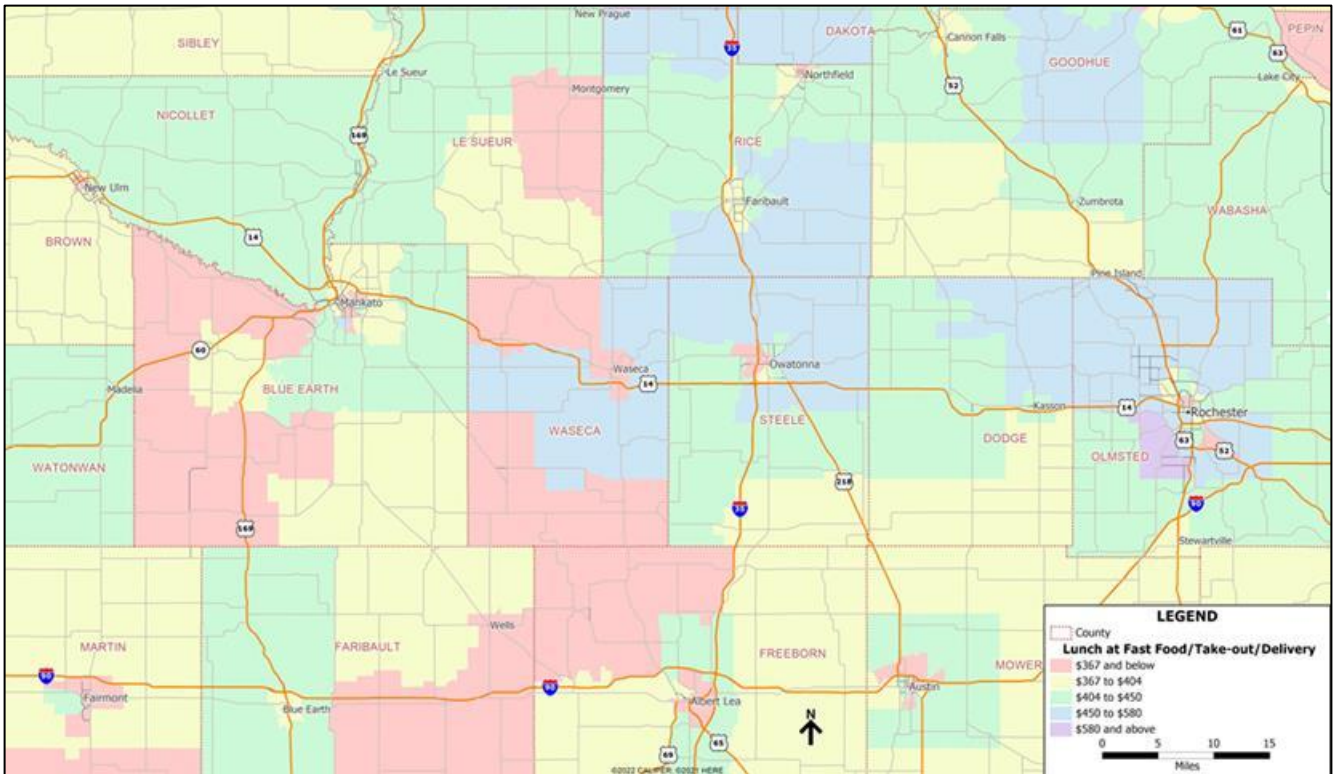
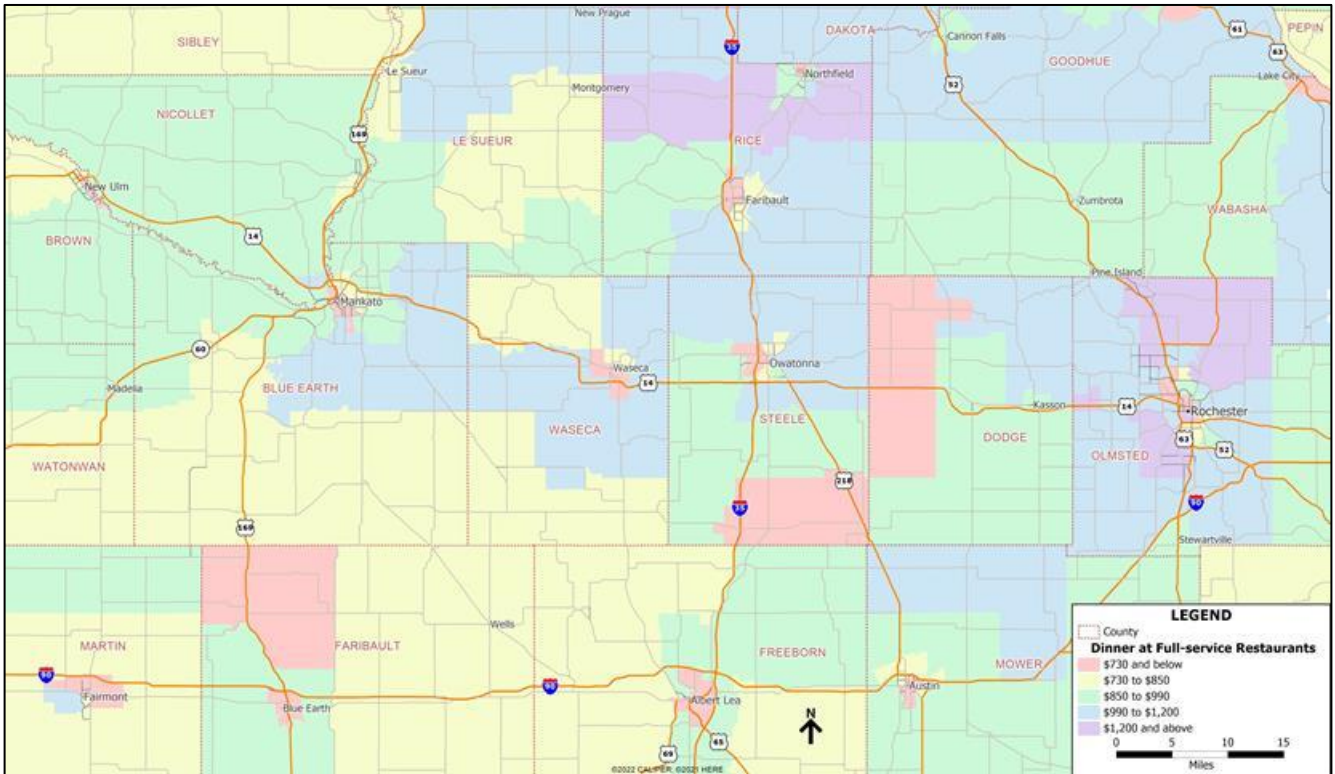**Figure D.10** – Consumer Expenditure – Lunch at Fast Food/Take Out/Delivery
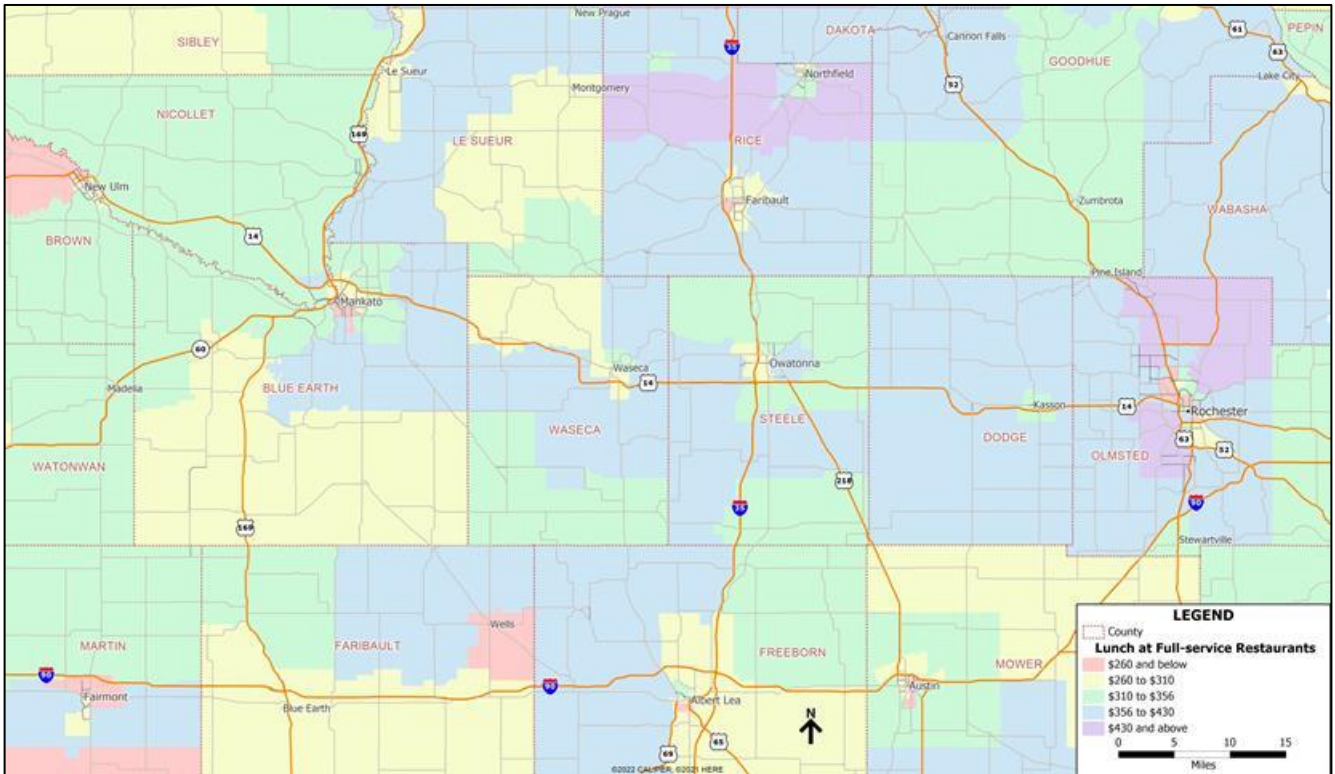
Figure D.11 – Consumer Expenditure – Lunch at Full Service Restaurant

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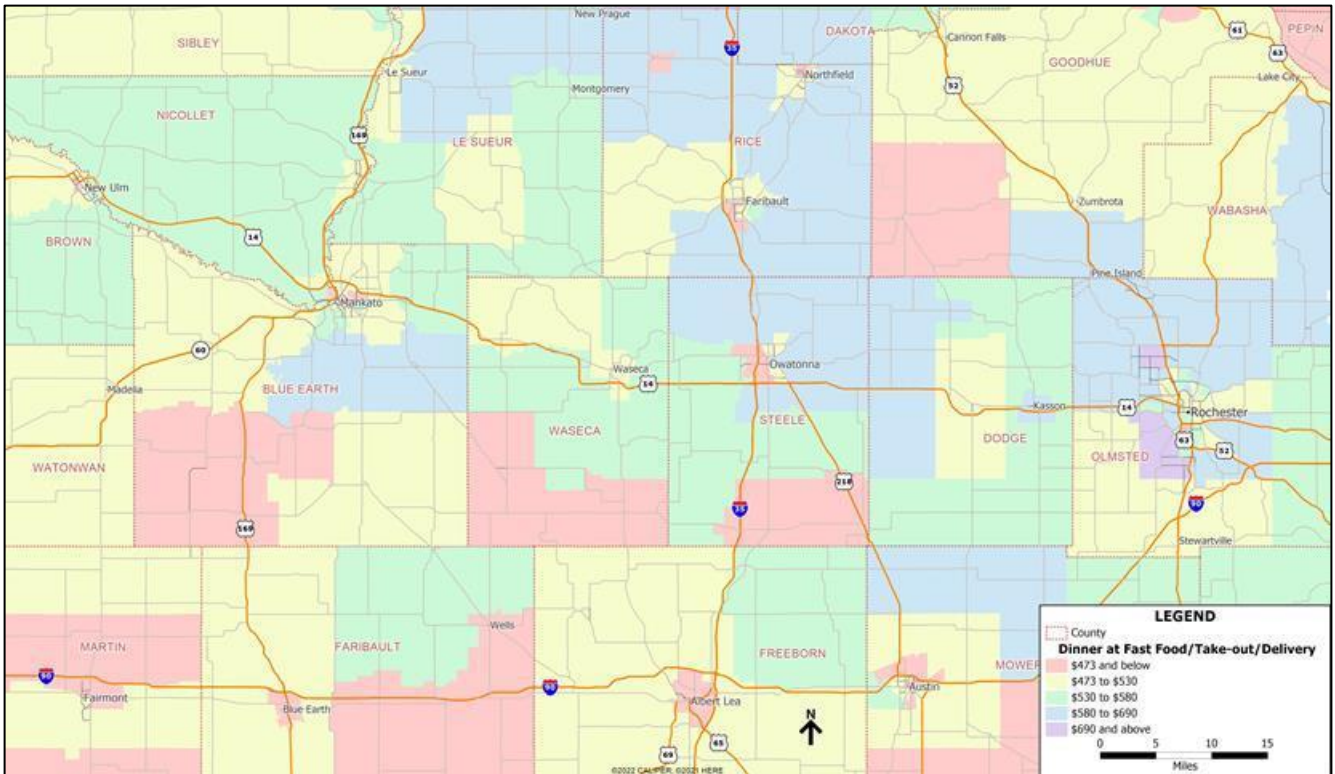
Figure D.12 – Consumer Expenditure – Dinner at Fast Food/Take Out/Delivery

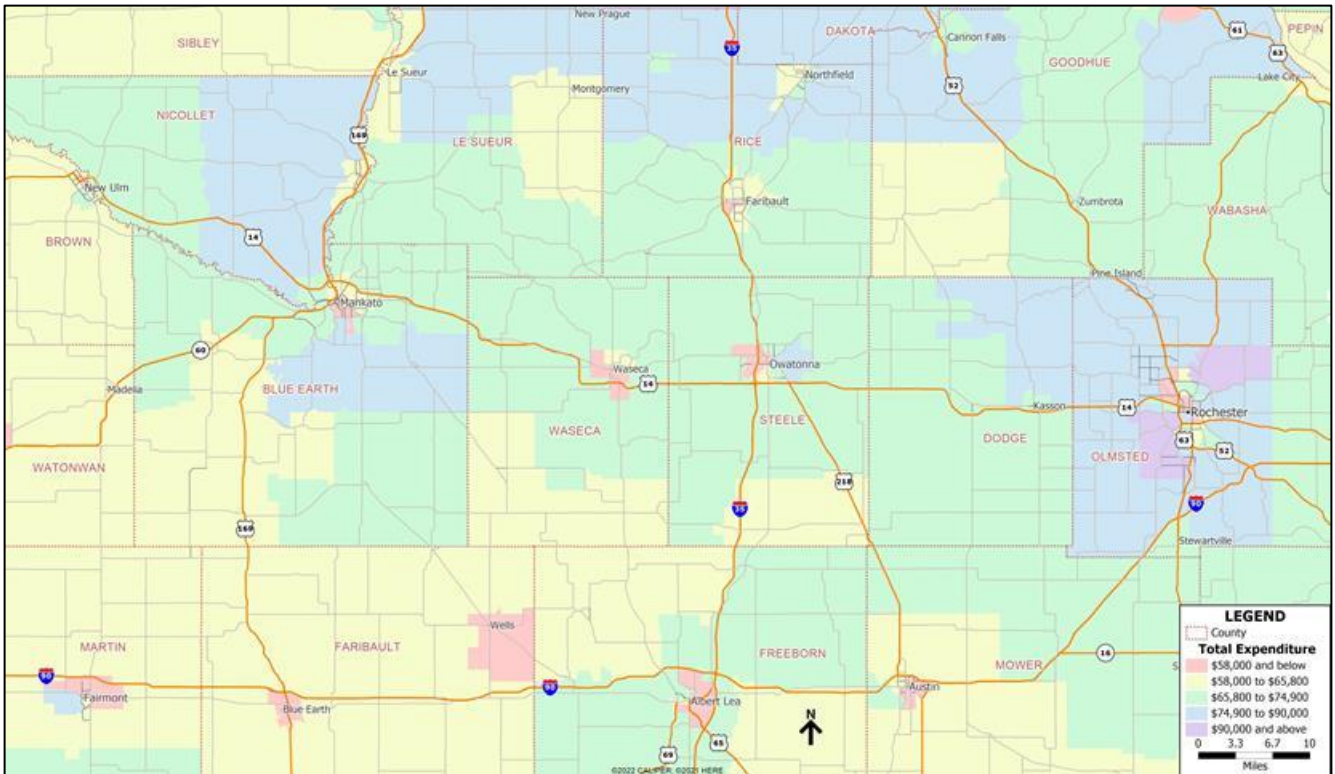**Figure D.13** – Consumer Expenditure – Dinner at Full Service Restaurant

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Figure D.14 – Consumer Expenditure – Total Household Expenditures
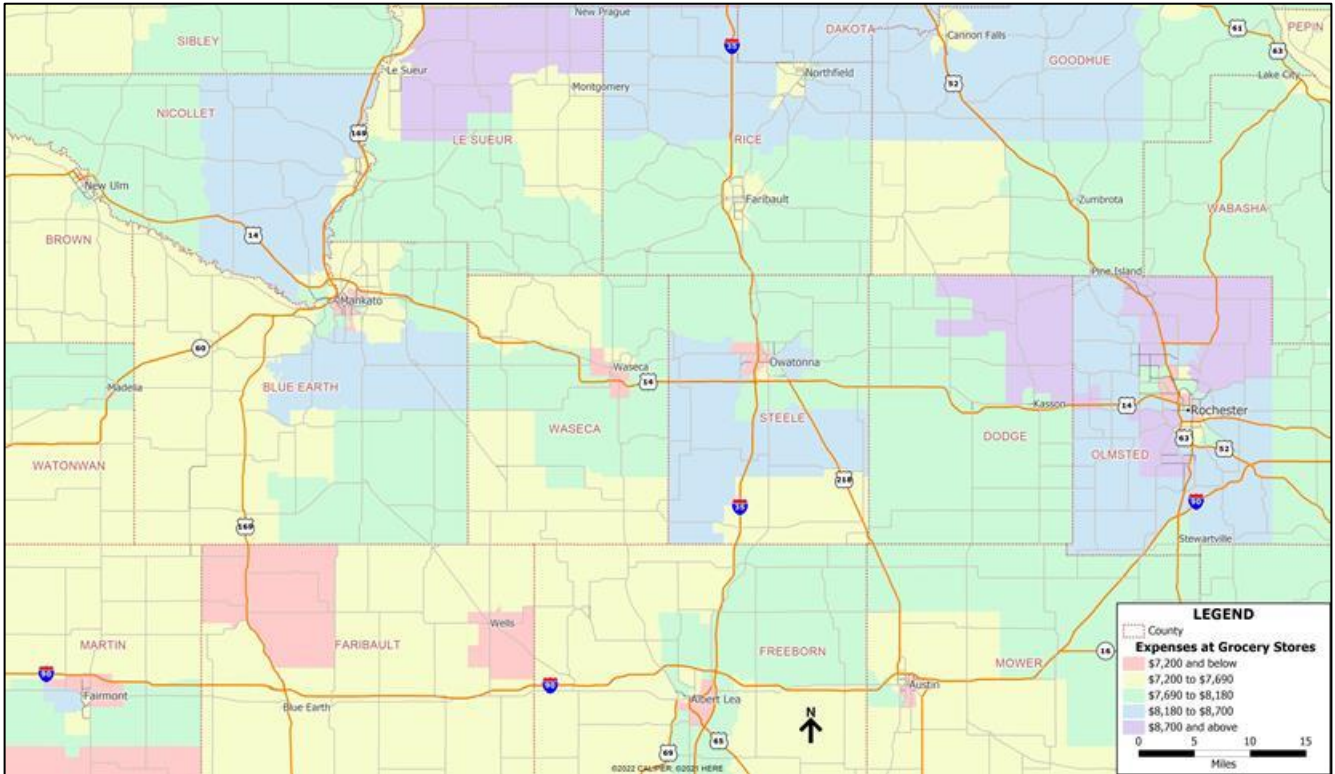
Figure D.15 – Consumer Expenditure – Grocery Expenditures

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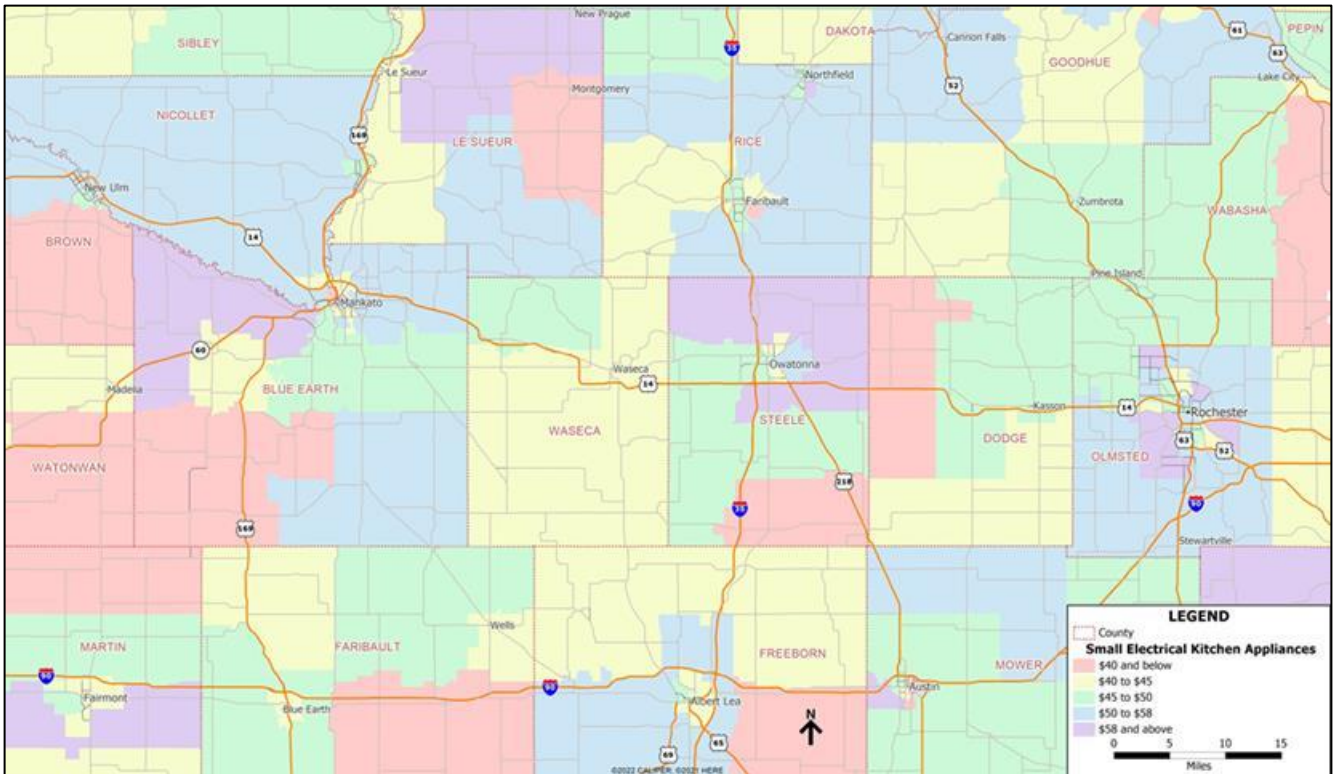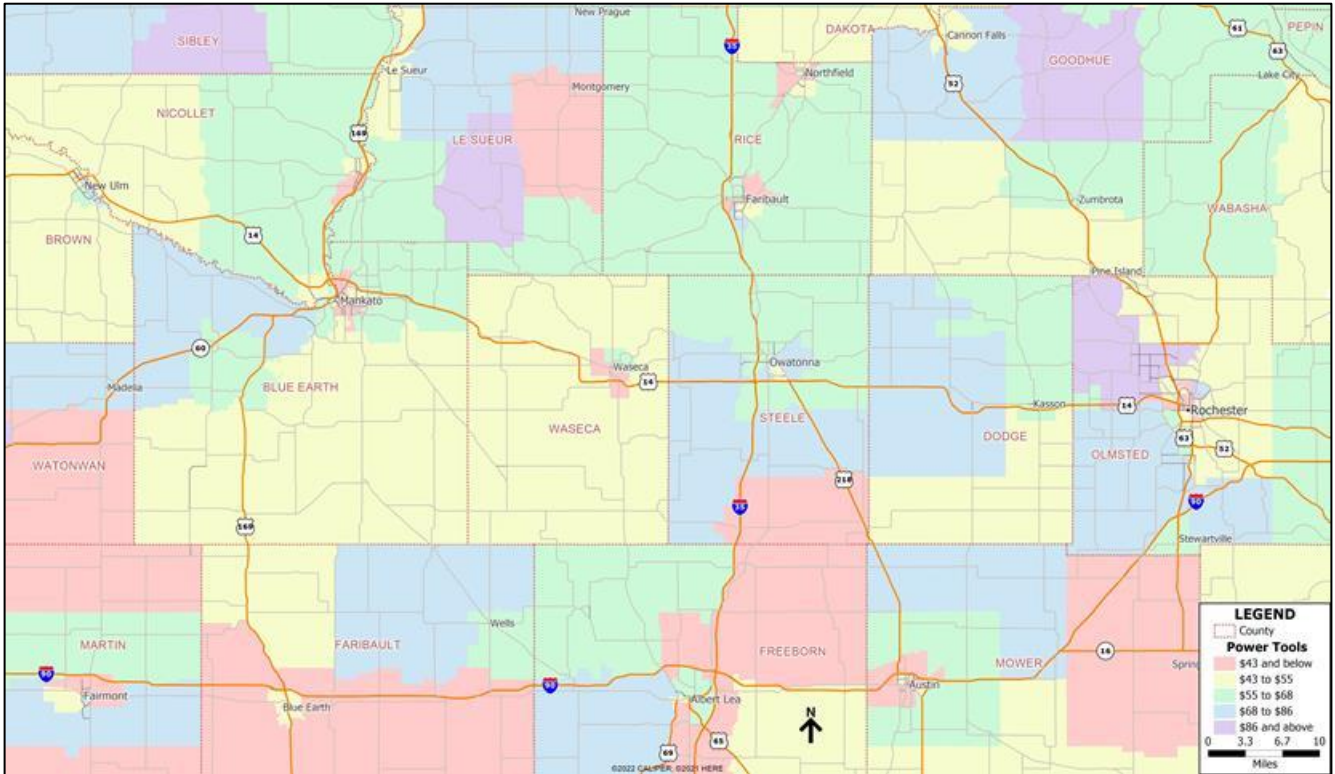
Figure D.16 – Consumer Expenditure – Small Appliances

Figure D.17 – Consumer Expenditure – Power Tools

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