



Pine City Market Area Profile, June, 2010

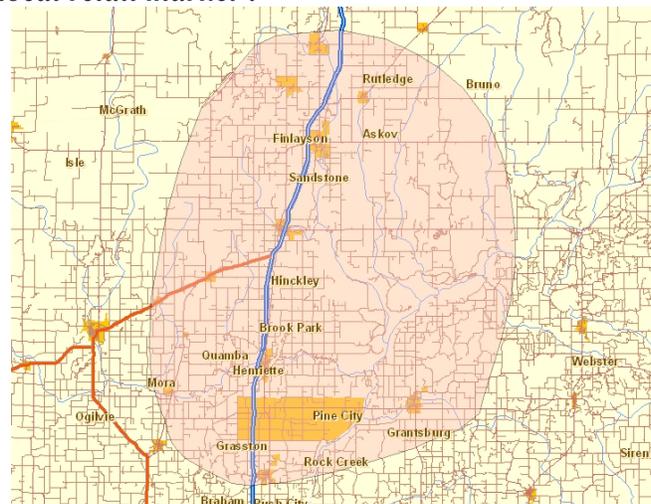
Results based on an analysis from multiple datasources, compiled using Business Analyst from ESRI (www.esri.com).

See Appendix 1 : *Data and Methodology* for more details.

How large is the local retail market ?

The local market is made up of local residents. 32,831 people live in 12,395 households, whose estimated *potential* retail goods and services purchases account for \$310 Million.

A local retail study group choose an area just south of Pine City extending along Interstate 35 north of Finlayson as a reasonable trade area for this analysis.



What do we know about households in the trade area?

| | | | |
|----------------------------------|----------|-----------------------------|----------|
| Median Household Income | \$49,775 | Median Net Worth | \$70,740 |
| Median Disposable Income | \$38,236 | Median Age | 39.7 |
| Households with related children | 34% | Households with persons 65+ | 26% |

What do we know about housing in the trade area ?

| | | | |
|------------------------|-----------------------|-----------------------|-----------------------|
| Seasonal Housing Units | 4,315 or 25% of total | Renter Occupied Units | 2,209 or 13% of total |
| Median home value | \$143,358 | | |

Pine City Market Area Profile

Introduction:

The University of Minnesota Extension created the Market Area Profile (MAP) program to assist Minnesota communities to develop their retail and service sectors. The authors intend existing businesses, potential businesses, and economic development organizations to use the information in this report to better serve their market and develop individual business and main street strategies.

University of Minnesota Extension staff created the report through sound secondary data and analysis compiled chiefly through Business Analyst, a GIS software program from ESRI.

Report:

Created: June, 2010 by Ryan Pesch and John Bennett, Extension Educators, University of Minnesota Extension.

Sponsors: City of Pine City

A special thank you to all participating businesses and members of the local retail study group for their input and direction given to the project.

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All data derives from the 2000 census from the US Census Bureau, a division of the US Department of Commerce.

| | Pine City | Minnesota |
|-----------------------------|------------------|------------------|
| 2008 Total Population | 32,831 | 5,357,700 |
| 2013 Total Population | 34,698 | 5,636,868 |
| 2008-2013 Annual Rate | 1.00% | 1.00% |
| 2008 Households | 12,395 | 2,099,737 |
| 2008 Average Household Size | 2.52 | 2.48 |
| 2013 Households | 13,224 | 2,218,134 |
| 2013 Average Household Size | 2.50 | 2.48 |
| 2008-2013 Annual Rate | 1.00% | 1.00% |

Income:



Median Household Income

| | | |
|------|----------|----------|
| 2000 | \$38,950 | \$47,143 |
| 2008 | \$49,775 | \$62,757 |
| 2013 | \$57,280 | \$73,083 |

Per Capita Income

| | | |
|------|----------|----------|
| 2000 | \$17,593 | \$23,199 |
| 2008 | \$21,940 | \$31,884 |
| 2013 | \$24,737 | \$38,864 |

2008 Household by Income

| | | |
|--------------------------|----------|-----------|
| Household Income Base | 12,396 | 2,099,736 |
| <15,000 | 11.2% | 7.8% |
| \$15,000 - \$24,999 | 10.6% | 8.1% |
| \$25,000 - \$34,999 | 12.0% | 8.8% |
| \$35,000 - \$49,999 | 16.5% | 13.5% |
| \$50,000 - \$74,999 | 27.5% | 22.1% |
| \$75,000 - \$99,999 | 12.7% | 14.3% |
| \$100,000 - \$149,999 | 6.8% | 16.6% |
| \$150,000 - \$199,999 | 1.7% | 4.2% |
| \$200,000+ | 1.1% | 4.5% |
| Average Household Income | \$56,355 | \$80,432 |

2013 Household by Income

| | | |
|--------------------------|----------|-----------|
| Household Income Base | 13,222 | 2,218,133 |
| <15,000 | 9.5% | 6.3% |
| \$15,000 - \$24,999 | 8.7% | 6.6% |
| \$25,000 - \$34,999 | 10.2% | 6.3% |
| \$35,000 - \$49,999 | 14.1% | 10.4% |
| \$50,000 - \$74,999 | 29.4% | 22.0% |
| \$75,000 - \$99,999 | 15.2% | 15.6% |
| \$100,000 - \$149,999 | 9.9% | 21.2% |
| \$150,000 - \$199,999 | 1.7% | 5.5% |
| \$200,000+ | 1.0% | 6.0% |
| Average Household Income | \$63,067 | \$97,774 |

2008 Households by Disposable Income

| | | |
|---------------------------|----------|-----------|
| Total Households | 12,395 | 2,099,736 |
| <\$15,000 | 13.9% | 9.8% |
| \$15,000 - \$34,999 | 14.4% | 10.7% |
| \$35,000 - \$49,999 | 22.3% | 17.7% |
| \$50,000 - \$74,999 | 24.2% | 23.9% |
| \$75,000 - \$99,999 | 5.2% | 11.7% |
| \$100,000 - \$149,999 | 3.8% | 9.5% |
| \$150,000 - \$199,000 | 0.4% | 2.1% |
| \$200,000 + | 0.7% | 2.4% |
| Average Disposable Income | \$45,482 | \$63,250 |
| Median Disposable Income | \$38,236 | \$49,570 |

All data derives from the 2000 census from the US Census Bureau, a division of the US Department of Commerce.

| | <i>Pine City</i> | <i>Minnesota</i> |
|-------------------------------------|------------------|------------------|
| 2008 Households by Net Worth | | |
| Total Households | 12,395 | 2,099,736 |
| <\$15,000 | 26.4% | 19.9% |
| \$15,000 - \$34,999 | 9.8% | 7.6% |
| \$35,000 - \$49,999 | 6.6% | 4.7% |
| \$50,000 - \$74,999 | 8.3% | 6.3% |
| \$75,000 - \$99,999 | 6.5% | 5.0% |
| \$100,000 - \$149,999 | 10.0% | 9.9% |
| \$150,000 - \$249,999 | 11.3% | 12.3% |
| \$250,000 - \$499,999 | 11.4% | 16.0% |
| \$500,000-\$999,999 | 5.7% | 10.8% |
| \$1,000,000+ | 3.92% | 7.54% |
| 2008 Average Net Worth | \$295,640 | \$493,460 |
| 2008 Median Net Worth | \$70,740 | \$129,686 |

Housing:



| 2008 Housing Units | | |
|-------------------------------|-------|-------|
| Owner Occupied Housing Units | 58.1% | 67.0% |
| Renter Occupied Housing Units | 12.6% | 23.2% |
| Vacant Housing Units | 29.3% | 9.7% |

| 2013 Housing Units | | |
|-------------------------------|-------|-------|
| Owner Occupied Housing Units | 57.3% | 66.0% |
| Renter Occupied Housing Units | 13.2% | 23.5% |
| Vacant Housing Units | 29.5% | 10.5% |

| Median Home Value | | |
|--------------------------|-----------|-----------|
| 2000 | \$89,956 | \$118,064 |
| 2008 | \$143,358 | \$187,003 |
| 2013 | \$150,059 | \$196,336 |

| 2008 Owner Occupied HUs by Value | | |
|-----------------------------------------|-----------|-----------|
| Total Housing Units | 10,185 | 1,559,119 |
| <50,000 | 9.0% | 5.6% |
| \$50,000 - \$99,999 | 18.3% | 10.6% |
| \$100,000 - \$149,999 | 26.4% | 18.8% |
| \$150,000 - \$199,999 | 20.2% | 20.7% |
| \$200,000 - \$299,999 | 17.9% | 26.5% |
| \$300,000 - \$499,999 | 6.5% | 13.1% |
| \$500,000 - \$999,999 | 1.3% | 3.9% |
| \$1,000,000 + | 0.4% | 0.9% |
| Average Home Value | \$165,892 | \$219,229 |
| Median Home Value | \$143,358 | \$187,003 |

| 2000 Housing Units by Units in Structure | | |
|-------------------------------------------------|--------|-----------|
| Total Housing Units | 15,056 | 2,065,946 |
| 1, Detached | 68.8% | 67.8% |
| 1, Attached | 0.7% | 5.2% |
| 2 | 1.3% | 3.0% |
| 3 or 4 | 1.5% | 2.3% |
| 5 to 9 | 0.9% | 2.4% |
| 10 to 19 | 1.4% | 3.8% |
| 20 + | 2.0% | 10.7% |
| Mobile Home | 15.9% | 4.5% |
| Other | 8.0% | 0.0% |

All data derives from the 2000 census from the US Census Bureau, a division of the US Department of Commerce.

| | <i>Pine City</i> | <i>Minnesota</i> |
|---------------------------------------------------|------------------|------------------|
| 2000 Housing Units by Year Structure Built | | |
| Total Housing Units | 15,056 | 2,065,946 |
| 1999 to March 2000 | 3.9% | 2.3% |
| 1995 to 1998 | 10.1% | 6.6% |
| 1990 to 1994 | 9.0% | 7.0% |
| 1980 to 1989 | 16.0% | 14.0% |
| 1970 to 1979 | 19.5% | 18.2% |
| 1969 or Earlier | 42.3% | 51.2% |
| Median Year Structure Built | 1974 | 1969 |

Population Demographics:



| Median Age | | |
|-------------------|------|------|
| 2000 | 37.5 | 35.4 |
| 2008 | 39.7 | 36.9 |
| 2013 | 40.8 | 37.6 |

| 2008 Population by Age | | |
|-------------------------------|--------|-----------|
| Total Population | 32,828 | 5,357,700 |
| 0 - 4 | 6.0% | 6.8% |
| 5 - 9 | 6.0% | 6.5% |
| 10 - 14 | 6.5% | 6.7% |
| 15 - 24 | 13.3% | 14.1% |
| 25 - 34 | 12.0% | 13.1% |
| 35 - 44 | 14.1% | 14.4% |
| 45 - 54 | 15.6% | 15.2% |
| 55 - 64 | 12.1% | 10.9% |
| 65 - 74 | 7.7% | 6.0% |
| 75 - 84 | 4.5% | 4.1% |
| 85 + | 2.1% | 2.1% |
| 18 + | 76.9% | 75.8% |

| 2008 Population by Race/Ethnicity | | |
|------------------------------------------|--------|-----------|
| Total Population | 32,832 | 5,357,700 |
| White Alone | 93.9% | 87.2% |
| Black Alone | 1.5% | 4.2% |
| American Indian Alone | 2.4% | 1.1% |
| Asian or Pacific Islander Alone | 0.5% | 3.8% |
| Some Other Race Alone | 0.5% | 1.8% |
| Two or More Races | 1.2% | 2.0% |
| Hispanic Origin | 2.4% | 3.9% |
| Diversity Index | 15.9 | 29.4 |

| 2008 Population 25+ by Educational Attainment | | |
|------------------------------------------------------|--------|-----------|
| Total Population | 22,398 | 3,526,447 |
| Less Than 9th Grade | 5.3% | 3.8% |
| 9th to 12th Grade, No Diploma | 10.9% | 5.8% |
| High School Graduate | 42.2% | 28.8% |
| Some College, No Degree | 22.7% | 22.6% |
| Associate Degree | 6.5% | 9.0% |
| Bachelor's Degree | 8.6% | 20.6% |
| Master's/Prof/Doctorate Degree | 3.7% | 9.4% |

| 2008 Population 15+ by Marital Status | | |
|----------------------------------------------|--------|-----------|
| Total Population | 26,749 | 4,284,069 |
| Never Married | 24.0% | 28.7% |
| Married, Not Separated | 59.0% | 56.9% |
| Married, Separated | 16.9% | 14.4% |
| Widowed | 6.1% | 5.2% |
| Divorced | 10.8% | 9.2% |

All data derives from the 2000 census from the US Census Bureau, a division of the US Department of Commerce.

Pine City

Minnesota

Household Demographics:



2000 Households by Type

| | | |
|------------------------------|--------|-----------|
| Total | 10,930 | 1,895,127 |
| Family Households | 70.2% | 66.2% |
| Married-couple Family | 57.1% | 53.7% |
| With Related Children | 24.8% | 25.8% |
| Other Family (No Spouse) | 13.1% | 12.5% |
| With Related Children | 9.5% | 8.5% |
| Nonfamily Households | 29.8% | 33.8% |
| Householder Living Alone | 24.4% | 26.9% |
| Householder Not Living Alone | 5.4% | 6.9% |

2000 Households by Size

| | | |
|----------------------------------|--------|-----------|
| Total | 10,930 | 1,895,127 |
| 1 Person Household | 24.4% | 26.9% |
| 2 Person Household | 36.3% | 33.9% |
| 3 Person Household | 14.4% | 15.0% |
| 4 Person Household | 13.9% | 14.4% |
| 5 Person Household | 6.9% | 6.5% |
| 6 Person Household | 2.7% | 2.1% |
| 7 + Person Household | 1.4% | 1.2% |
| Households with Related Children | 34.3% | 34.3% |
| Households with Persons 65+ | 26.1% | 21.3% |

2000 Households by Year Householder Moved In

| | | |
|----------------------------------|--------|-----------|
| Total | 10,930 | 1,895,127 |
| Moved in 1999 to March 2000 | 15.2% | 17.6% |
| Moved in 1995 to 1998 | 27.8% | 28.4% |
| Moved in 1990 to 1994 | 19.1% | 17.4% |
| Moved in 1980 to 1989 | 16.9% | 16.6% |
| Moved in 1970 to 1979 | 11.3% | 10.0% |
| Moved in 1969 or Earlier | 9.8% | 10.0% |
| Median Year Householder Moved In | 1993 | 1994 |

2000 Households by Vehicles Available

| | | |
|--------------------------------------|--------|-----------|
| Total | 10,929 | 1,895,127 |
| None | 5.6% | 7.7% |
| 1 | 28.1% | 31.2% |
| 2 | 40.6% | 42.2% |
| 3 | 16.8% | 13.7% |
| 4 | 6.2% | 3.8% |
| 5+ | 2.7% | 1.5% |
| Average Number of Vehicles Available | 2.0 | 1.8 |

All data derives from the 2000 census from the US Census Bureau, a division of the US Department of Commerce.

Pine City

Minnesota

Employment:



2008 Employed Population 16+ by Industry

| | Pine City | Minnesota |
|-------------------------------|-----------|-----------|
| Total | 14,772 | 2,752,132 |
| Agriculture/Mining | 3.4% | 1.9% |
| Construction | 9.9% | 6.4% |
| Manufacturing | 14.2% | 13.4% |
| Wholesale Trade | 2.0% | 3.5% |
| Retail Trade | 10.5% | 11.1% |
| Transportation/Utilities | 4.6% | 4.8% |
| Information | 0.9% | 2.1% |
| Finance/Insurance/Real Estate | 3.9% | 8.0% |
| Services | 45.2% | 45.8% |
| Public Administration | 5.4% | 3.0% |

2008 Employed Population 16+ by Occupation

| | Pine City | Minnesota |
|---------------------------------|-----------|-----------|
| Total | 14,774 | 2,752,132 |
| White Collar | 45.7% | 62.5% |
| Management/Business/Financial | 10.5% | 15.5% |
| Professional | 15.7% | 22.4% |
| Sales | 9.1% | 11.3% |
| Administrative Support | 10.6% | 13.3% |
| Services | 22.8% | 15.8% |
| Blue Collar | 31.4% | 21.7% |
| Farming/Forestry/Fishing | 1.1% | 0.5% |
| Construction/Extraction | 8.1% | 5.0% |
| Installation/Maintenance/Repair | 4.3% | 3.5% |
| Production | 10.9% | 7.2% |
| Transportation/Material Moving | 7.0% | 5.6% |

2000 Workers 16+ by Means of Transportation to Work

| | Pine City | Minnesota |
|----------------------------------|-----------|-----------|
| Total | 13,473 | 2,541,611 |
| Drove Alone - Car, Truck, or Van | 75.2% | 77.6% |
| Carpooled - Car, Truck, or Van | 14.1% | 10.4% |
| Public Transportation | 0.3% | 3.2% |
| Walked | 3.2% | 3.3% |
| Other Means | 1.0% | 0.9% |
| Worked at Home | 6.2% | 4.6% |

2000 Workers 16+ by Travel Time to Work

| | Pine City | Minnesota |
|--------------------------------------|-----------|-----------|
| Total | 13,473 | 2,541,611 |
| Did not Work at Home | 93.8% | 95.4% |
| Less than 5 minutes | 6.8% | 4.4% |
| 5 to 9 minutes | 12.9% | 13.3% |
| 10 to 19 minutes | 26.5% | 31.0% |
| 20 to 24 minutes | 9.3% | 14.4% |
| 25 to 34 minutes | 11.1% | 17.3% |
| 35 to 44 minutes | 4.2% | 5.4% |
| 45 to 59 minutes | 6.2% | 5.3% |
| 60 to 89 minutes | 10.7% | 2.7% |
| 90 or more minutes | 6.1% | 1.5% |
| Worked at Home | 6.2% | 4.6% |
| Average Travel Time to Work (in min) | 29.5 | 21.9 |

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Forecasts for 2008 and 2013 from ESRI (www.esri.com).

Lifestyle Profile Summary

Community Tapestry classifies US neighborhoods into 65 market segments grouped together according to a detailed national profile. Data sources include Census 2000, Axiom's InfoBase consumer database, and Mediamark Research's Doublebase national customer survey (see appendix 1 for more details).

| Top Segments: | Number of Households | Percent | Index |
|--------------------------|----------------------|---------|-------|
| 31 Rural Resort Dwellers | 3,825 | 30.9% | 1917 |
| 33 Midlife Junction | 2,434 | 19.6% | 785 |
| 25 Salt of the Earth | 2,168 | 17.5% | 634 |
| 17 Green Acres | 1,936 | 15.6% | 499 |

31 Rural Resort Dwellers

Favoring milder climates and pastoral settings, Rural Resort Dwellers residents live in rural, nonfarm areas. These small, growing communities mainly consist of single-family and mobile homes, with a significant inventory of seasonal housing. This somewhat older market has a median age of 47.1 years. Most households consist of married couples with no children living at home or singles who live alone. A higher-than-average proportion of residents are self employed and work from home. The median household income is \$47,908. Modest living and simple consumer tastes describe this market. The rural setting calls for more riding lawn mowers and satellite dishes. Lawn maintenance and gardening is a priority, and households own a plethora of tools and equipment. Many households own or lease a truck. Residents enjoy boating, hunting, fishing, snorkeling, canoeing, and listening to country music.

33 Midlife Junction

Midlife Junction communities are found in suburbs across the country. Residents are phasing out of their child-rearing years. Approximately half of the households are composed of married-couple families; 31 percent are singles who live alone. The median age is 41.2 years; the median household income is \$49,031. One-third of the households receive Social Security benefits. Nearly two-thirds of the households are single-family structures; most of the remaining dwellings are apartments in multiunit buildings. These residents live quiet, settled lives. They spend their money prudently and do not succumb to fads. They prefer to shop by mail or phone from catalogs such as J.C. Penney, L.L. Bean, and Lands' End. They enjoy yoga, attending country music concerts and auto races, refinishing furniture, and reading romance novels.

25. Salt of the Earth

A rural or small-town lifestyle best describes the *Salt of the Earth* market. The median age is 40.4 years. Labor force participation is higher than the U.S. level, and unemployment is lower. Above-average numbers of employed residents work in the manufacturing, construction, mining, and agricultural industries. The median household income is \$48,800. Households are dominated by married-couple families who live in single-family dwellings, with homeownership at 86 percent. Twenty-eight percent of the households own three or more vehicles. Most homes own a truck; many own a motorcycle. Residents are settled, hardworking, and self-reliant, taking on small home projects as well as vehicle maintenance. Families often own two or more pets, usually dogs or cats. Residents enjoy fishing, hunting, target shooting, attending country music concerts and auto races, and flying kites.

17. Green Acres

A "little bit country," Green Acres residents live in pastoral settings of developing suburban fringe areas, mainly in the Midwest and South. The median age is 39.9 years. Married couples with and without children comprise most of the households and live in single-family dwellings. This upscale market has a median household income of \$62,300 and a median home value of \$179,700. These do-it-yourselfers maintain and remodel their homes—paint, install carpet, or add a deck—and own all the necessary tools to accomplish these tasks. They also take care of their lawn and gardens, again, with the right tools. Vehicles of choice are motorcycles and full-sized pickup trucks. For exercise, residents ride their bikes and go water skiing, canoeing, and kayaking. Other activities include bird-watching, power boating, target shooting, hunting, and attending auto races.

Source: ESRI, 2008 Estimates and Projections

Community Tapestry classifies US neighborhoods into 65 market segments grouped together according to a detailed national profiles. Data sources include Census 2000, Axiom's Infobase consumer database, and Mediamark Research's Doublebase customer survey (see Appendix 1 for details)

Tapestry LifeMode Groups

2008 Households

| | Number | Percent | Index |
|-------------------------------|--------|---------|-------|
| Total | 12,395 | 100.0% | |
| L1. High Society | 0 | 0.0% | 0 |
| 01 Top Rung | 0 | 0.0% | 0 |
| 02 Suburban Splendor | 0 | 0.0% | 0 |
| 03 Connoisseurs | 0 | 0.0% | 0 |
| 04 Boomburbs | 0 | 0.0% | 0 |
| 05 Wealthy Seaboard Suburbs | 0 | 0.0% | 0 |
| 06 Sophisticated Squires | 0 | 0.0% | 0 |
| 07 Exurbanites | 0 | 0.0% | 0 |
| L2. Upscale Avenues | 1,936 | 15.6% | 113 |
| 09 Urban Chic | 0 | 0.0% | 0 |
| 10 Pleasant-Ville | 0 | 0.0% | 0 |
| 11 Pacific Heights | 0 | 0.0% | 0 |
| 13 In Style | 0 | 0.0% | 0 |
| 16 Enterprising Professionals | 0 | 0.0% | 0 |
| 17 Green Acres | 1,936 | 15.6% | 499 |
| 18 Cozy and Comfortable | 0 | 0.0% | 0 |
| L3. Metropolis | 0 | 0.0% | 0 |
| 20 City Lights | 0 | 0.0% | 0 |
| 22 Metropolitans | 0 | 0.0% | 0 |
| 45 City Strivers | 0 | 0.0% | 0 |
| 51 Metro City Edge | 0 | 0.0% | 0 |
| 54 Urban Rows | 0 | 0.0% | 0 |
| 62 Modest Income Homes | 0 | 0.0% | 0 |
| L4. Solo Acts | 0 | 0.0% | 0 |
| 08 Laptops and Lattes | 0 | 0.0% | 0 |
| 23 Trendsetters | 0 | 0.0% | 0 |
| 27 Metro Renters | 0 | 0.0% | 0 |
| 36 Old and Newcomers | 0 | 0.0% | 0 |
| 39 Young and Restless | 0 | 0.0% | 0 |
| L5. Senior Styles | 31 | 0.3% | 2 |
| 14 Prosperous Empty Nesters | 0 | 0.0% | 0 |
| 15 Silver and Gold | 0 | 0.0% | 0 |
| 29 Rustbelt Retirees | 0 | 0.0% | 0 |
| 30 Retirement Communities | 0 | 0.0% | 0 |
| 43 The Elders | 0 | 0.0% | 0 |
| 49 Senior Sun Seekers | 28 | 0.2% | 19 |
| 50 Heartland Communities | 3 | 0.0% | 1 |
| 57 Simple Living | 0 | 0.0% | 0 |
| 65 Social Security Set | 0 | 0.0% | 0 |

Source: ESRI, 2008 Estimates and Projections

Data Note: This report identifies neighborhood segments in the area, and describes the socioeconomic quality of the immediate neighborhood. The index is a comparison of the percent of households in the area, by Tapestry segment, to the percent of households or population in the United States, by segment. An index of 100 is the US average.

Community Tapestry classifies US neighborhoods into 65 market segments grouped together according to a detailed national profiles. Data sources include Census 2000, Axiom's Infobase consumer database, and Mediamark Research's Doublebase customer survey (see Appendix 1 for details)

Tapestry LifeMode Groups

2008 Households

| | Number | Percent | Index |
|------------------------------------|--------|---------|-------|
| Total | 12,395 | 100.0% | |
| L6. Scholars & Patriots | 0 | 0.0% | 0 |
| 40 Military Proximity | 0 | 0.0% | 0 |
| 55 College Towns | 0 | 0.0% | 0 |
| 63 Dorms to Diplomas | 0 | 0.0% | 0 |
| L7. High Hopes | 638 | 5.1% | 125 |
| 28 Aspiring Young Families | 0 | 0.0% | 0 |
| 48 Great Expectations | 638 | 5.1% | 291 |
| L8. Global Roots | 0 | 0.0% | 0 |
| 35 International Marketplace | 0 | 0.0% | 0 |
| 38 Industrious Urban Fringe | 0 | 0.0% | 0 |
| 44 Urban Melting Pot | 0 | 0.0% | 0 |
| 47 Las Casas | 0 | 0.0% | 0 |
| 52 Inner City Tenants | 0 | 0.0% | 0 |
| 58 NeWest Residents | 0 | 0.0% | 0 |
| 60 City Dimensions | 0 | 0.0% | 0 |
| 61 High Rise Renters | 0 | 0.0% | 0 |
| L9. Family Portrait | 0 | 0.0% | 0 |
| 12 Up and Coming Families | 0 | 0.0% | 0 |
| 19 Milk and Cookies | 0 | 0.0% | 0 |
| 21 Urban Villages | 0 | 0.0% | 0 |
| 59 Southwestern Families | 0 | 0.0% | 0 |
| 64 City Commons | 0 | 0.0% | 0 |
| L10. Traditional Living | 2,787 | 22.5% | 254 |
| 24 Main Street, USA | 0 | 0.0% | 0 |
| 32 Rustbelt Traditions | 353 | 2.8% | 100 |
| 33 Midlife Junction | 2,434 | 19.6% | 785 |
| 34 Family Foundations | 0 | 0.0% | 0 |
| L11. Factories & Farms | 2,168 | 17.5% | 184 |
| 25 Salt of the Earth | 2,168 | 17.5% | 634 |
| 37 Prairie Living | 0 | 0.0% | 0 |
| 42 Southern Satellites | 0 | 0.0% | 0 |
| 53 Home Town | 0 | 0.0% | 0 |
| 56 Rural Bypasses | 0 | 0.0% | 0 |
| L12. American Quilt | 4,835 | 39.0% | 424 |
| 26 Midland Crowd | 376 | 3.0% | 83 |
| 31 Rural Resort Dwellers | 3,825 | 30.9% | 1,917 |
| 41 Crossroads | 0 | 0.0% | 0 |
| 46 Rooted Rural | 634 | 5.1% | 210 |
| 66 Unclassified | 0 | 0.0% | 0 |

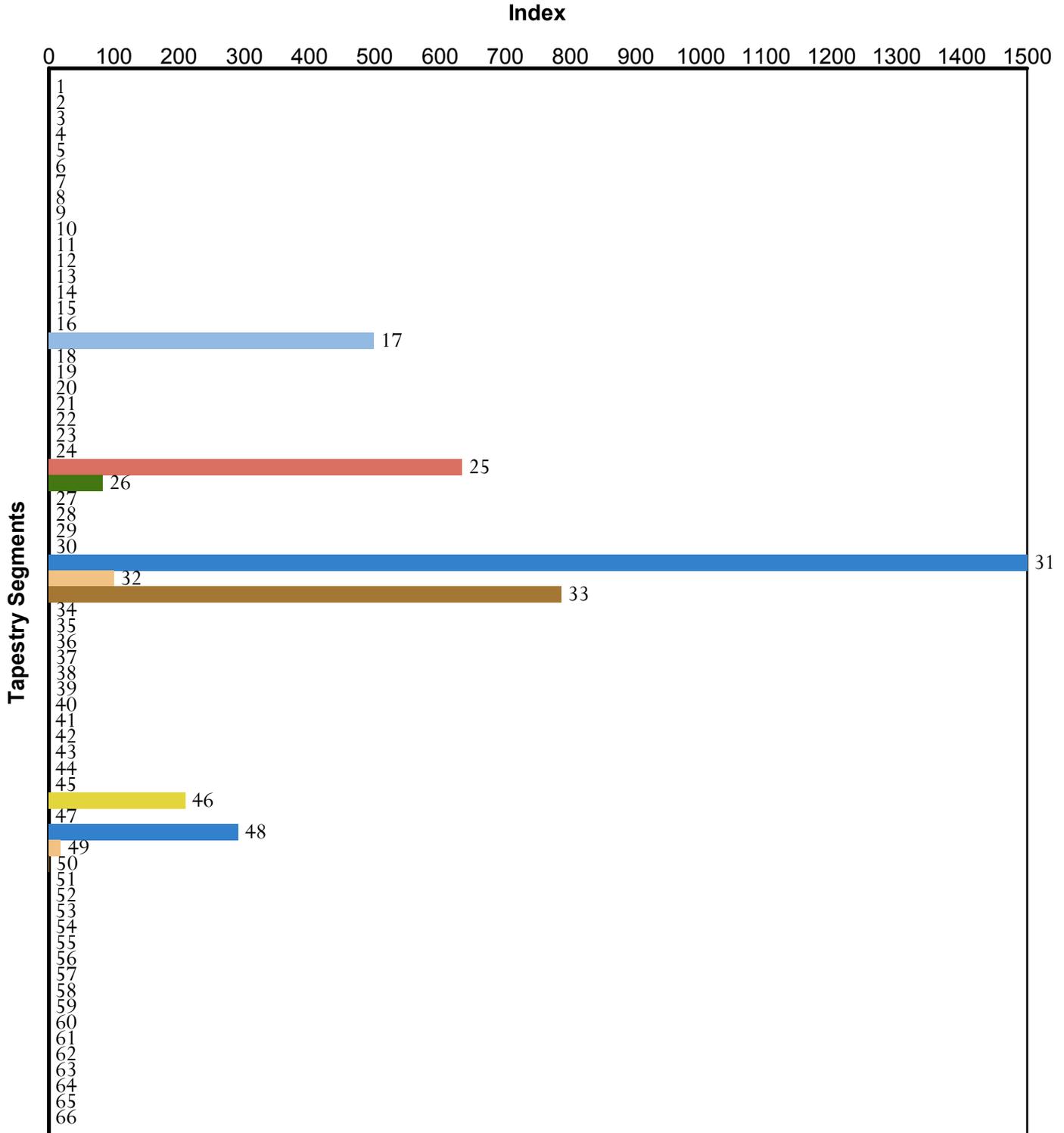
Source: ESRI, 2008 Estimates and Projections

Data Note: This report identifies neighborhood segments in the area, and describes the socioeconomic quality of the immediate neighborhood. The index is a comparison of the percent of households in the area, by Tapestry segment, to the percent of households or population in the United States, by segment. An index of 100 is the US average.



Community Tapestry classifies US neighborhoods into 65 market segments grouped together according to a detailed national profiles. Data sources include Census 2000, Axiom's Infobase consumer database, and Mediamark Research's Doublebase customer survey (see Appendix 1 for details)

Tapestry Index by Households



Data Note: This report identifies neighborhood segments in the area, and describes the socioeconomic quality of the immediate neighborhood. The index is a comparison of the percent of households or population in the area, by Tapestry segment, to the percent of households or population in the United States, by segment. An index of 100 is the US average.

Media and Internet Marketing Profile

Based on the mix of customer demographics and lifestyles in your trade area, we have knowledge of their media and internet habits from national marketing data. Below are some highlights of this information, although full information is compiled in the following pages.

| | Number of adults | Percent of adults |
|------------------------------------|------------------|-------------------|
| <i>Newspaper Readership</i> | | |
| Light newspaper reader | 4672 | 18% |
| Light-medium newspaper reader | 4295 | 17% |
| Medium newspaper reader | 4468 | 18% |
| Medium-heavy newspaper reader | 4885 | 19% |
| Heavy newspaper reader | 4174 | 16% |
| Read any daily newspaper | 10148 | 40% |
| Read one daily newspaper | 8227 | 32% |
| Read two or more daily newspapers | 1921 | 8% |
| Read any Sunday newspaper | 11237 | 44% |
| <i>Radio Listenership</i> | | |
| Light radio listener | 5142 | 20% |
| Light-medium radio listener | 4475 | 18% |
| Medium radio listener | 4145 | 16% |
| Medium-heavy radio listener | 4180 | 16% |
| Heavy radio listener | 4547 | 18% |
| <i>Internet Habits</i> | | |
| Have Access to Internet | 18554 | 82% |
| Used Internet in last month | 14503 | 64% |
| Used email in past month | 12345 | 55% |
| Made purchase online, personal | 5841 | 26% |
| Made purchase online,business | 1950 | 9% |
| Made travel plans in past month | 2997 | 13% |
| Obtained latest news in past month | 6649 | 29% |

Source: These data area based upon national propensities to use various products and services, applied to local demographic composition. Usage data were collected by Mediamark Research Inc. in a nationally representative survey of US households.



Market Potential: Internet

Pine City

Total 2008 Adults: 22,648

| Product/Consumer Behavior: | Expected Number of Adults | Expected Percent of Adults | Expected Percent in MN |
|-------------------------------------------|------------------------------------------|-------------------------------------------|---------------------------------------|
| Internet Access: | | | |
| Have Access to Internet | 18554 | 81.9% | 86.5% |
| Have access to Internet,at home | 14758 | 65.2% | 71.9% |
| Have access to Internet,at work | 7494 | 33.1% | 41.9% |
| Have access to Internet,at schl/library | 5279 | 23.3% | 26.5% |
| Used Internet/mo,not hm/wrk/schl/lib | 4151 | 18.3% | 20.3% |
| Use Internet less than once/wk | 1151 | 5.1% | 3.9% |
| Use Internet 1-2 times per week | 1368 | 6.0% | 5.8% |
| Use Internet 3-6 times per week | 1883 | 8.3% | 8.6% |
| Use Internet daily | 2480 | 11.0% | 11.3% |
| Use Internet 2-4 times per day | 3829 | 16.9% | 18.6% |
| Use Internet 5 or more times/day | 3794 | 16.8% | 24.4% |
| Used Internet in last month,any | 14503 | 64.0% | 72.5% |
| Used Internet/mo,at home | 12465 | 55.0% | 63.7% |
| Used Internet/mo,at work | 5940 | 26.2% | 35.8% |
| Used Internet/mo,at school/library | 1286 | 5.7% | 7.4% |
| Used Internet/mo,not hm/wrk/schl/lib | 1783 | 7.9% | 9.0% |
| Internet Activities in past month: | | | |
| Used email | 12345 | 54.5% | 64.5% |
| Used Instant Messenger | 4611 | 20.4% | 24.9% |
| Paid bills online | 5117 | 22.6% | 31.6% |
| Visited online blog | 1263 | 5.6% | 8.3% |
| Wrote online blog | 519 | 2.3% | 3.3% |
| Visited chat room | 682 | 3.0% | 4.1% |
| Looked for employment | 2156 | 9.5% | 11.0% |
| Played games online | 4139 | 18.3% | 19.1% |
| Made trade or tracked investments | 1722 | 7.6% | 11.0% |
| Downloaded music | 2896 | 12.8% | 16.4% |
| Made phone call | 322 | 1.4% | 2.7% |
| Made purchase, personal | 5841 | 25.8% | 32.0% |
| Made purchase,business | 1950 | 8.6% | 10.0% |
| Made travel plans | 2997 | 13.2% | 18.3% |
| Watched online video | 2621 | 11.6% | 15.0% |

Source: These data area based upon national propensities to use various products and services, applied to local demographic composition. Usage data were collected by Mediamark Research Inc. in a nationally representative survey of US households.



Market Potential: Internet

Pine City

Total 2008 Adults: 22,648

| Product/Consumer Behavior: | <i>Expected Number of Adults</i> | <i>Expected Percent of Adults</i> | <i>Expected Percent in MN</i> |
|---------------------------------------------------|------------------------------------------|-------------------------------------------|---------------------------------------|
| Information obtained online in past month: | | | |
| New/used car info | 1889 | 8.3% | 9.6% |
| Financial info | 3853 | 17.0% | 24.2% |
| Obtained medical info | 3170 | 14.0% | 16.6% |
| Obtained latest news | 6649 | 29.4% | 38.4% |
| Obtained real estate info | 2025 | 8.9% | 11.3% |
| Obtained sports news/info | 3696 | 16.3% | 23.0% |
| Ordered on Internet in last year: | | | |
| Anything | 7150 | 31.6% | 37.2% |
| airline ticket | 2765 | 12.2% | 17.9% |
| CD/tape | 905 | 4.0% | 5.1% |
| clothing | 2776 | 12.3% | 14.7% |
| computer | 657 | 2.9% | 3.6% |
| computer accessories | 767 | 3.4% | 4.4% |
| DVD | 1320 | 5.8% | 7.1% |
| flowers | 544 | 2.4% | 4.7% |
| software | 1104 | 4.9% | 6.0% |
| tickets | 1339 | 5.9% | 9.3% |
| toy | 960 | 4.2% | 4.9% |
| E-commerce purchases in last year | | | |
| Purchased item at Amazon.com | 2374 | 10.5% | 13.4% |
| Purchased item at barnes&noble.com | 592 | 2.6% | 3.4% |
| Purchased item at bestbuy.com | 456 | 2.0% | 2.5% |
| Purchased item at ebay.com | 2104 | 9.3% | 9.7% |
| Purchased item at walmart.com | 867 | 3.8% | 3.5% |
| Spent <\$200 online | 2427 | 10.7% | 11.4% |
| Spent \$200-499 online | 1843 | 8.1% | 8.7% |
| Spent \$500+ | 2477 | 10.9% | 15.3% |
| Internet Connection | | | |
| Dial-up modem | 4491 | 19.8% | 13.0% |
| Cable modem | 4184 | 18.5% | 26.6% |
| DSL | 4345 | 19.2% | 24.9% |
| Wireless | 1668 | 7.4% | 10.9% |
| Any broadband | 9451 | 41.7% | 56.3% |

Source: These data area based upon national propensities to use various products and services, applied to local demographic composition. Usage data were collected by Mediamark Research Inc. in a nationally representative survey of US households.



Market Potential: Media Read

Pine City

Total 2008 Adults: 25,512

| Product/Consumer Behavior: | <i>Expected Number of Adults</i> | <i>Expected Percent of Adults</i> | <i>Expected Percent in MN</i> |
|----------------------------------------------------|------------------------------------------|-------------------------------------------|---------------------------------------|
| Newspaper readership: | | | |
| Light newspaper reader | 4672 | 18.3% | 18.6% |
| Light-medium newspaper reader | 4295 | 16.8% | 19.5% |
| Medium newspaper reader | 4468 | 17.5% | 19.9% |
| Medium-heavy newspaper reader | 4885 | 19.1% | 20.6% |
| Heavy newspaper reader | 4174 | 16.4% | 20.4% |
| Read any daily newspaper | 10148 | 39.8% | 44.5% |
| Read one daily newspaper | 8227 | 32.2% | 36.0% |
| Read two or more daily newspapers | 1921 | 7.5% | 8.6% |
| Read any Sunday newspaper | 11237 | 44.0% | 54.0% |
| Newspaper content: | | | |
| Read newspaper: advertisements | 4789 | 18.8% | 21.7% |
| Read newspaper: business/finance section | 5064 | 19.8% | 26.4% |
| Read newspaper: circulars/inserts/fliers | 3600 | 14.1% | 16.8% |
| Read newspaper: classified section | 8035 | 31.5% | 27.8% |
| Read newspaper: comics | 6238 | 24.5% | 25.7% |
| Read newspaper: editorial page | 6599 | 25.9% | 25.0% |
| Read newspaper: entertainment/lifestyle section | 6220 | 24.4% | 29.6% |
| Read newspaper: fashion section | 2554 | 10.0% | 12.4% |
| Read newspaper: food/cooking section | 5897 | 23.1% | 24.5% |
| Read newspaper: main news/front page | 14142 | 55.4% | 60.6% |
| Read newspaper: health section | 3574 | 14.0% | 17.7% |
| Read newspaper: home/furnishings/gardening section | 3866 | 15.2% | 17.0% |
| Read newspaper: international/national news | 4116 | 16.1% | 17.8% |
| Read newspaper: local news section | 13785 | 54.0% | 57.3% |
| Read newspaper: movie listings/reviews section | 4789 | 18.8% | 21.7% |
| Read newspaper: science & technology section | 3600 | 14.1% | 16.8% |
| Read newspaper: sports section | 8044 | 31.5% | 36.2% |
| Read newspaper: travel section | 3574 | 14.0% | 17.7% |
| Read newspaper: TV listings section | 4116 | 16.1% | 17.8% |

Source: These data area based upon national propensities to use various products and services, applied to local demographic composition. Usage data were collected by Mediamark Research Inc. in a nationally representative survey of US households.



Market Potential: Media Read

Pine City

Total 2008 Adults: 25,512

| Product/Consumer Behavior: | <i>Expected Number of Adults</i> | <i>Expected Percent of Adults</i> | <i>Expected Percent in MN</i> |
|------------------------------------|------------------------------------------|-------------------------------------------|---------------------------------------|
| Magazine readership: | | | |
| Light magazine reader | 4723 | 18.5% | 17.9% |
| Light-medium magazine reader | 5009 | 19.6% | 20.6% |
| Medium magazine reader | 4667 | 18.3% | 20.5% |
| Medium-heavy magazine reader | 4459 | 17.5% | 20.2% |
| Heavy magazine reader | 3625 | 14.2% | 19.8% |
| Magazine format: | | | |
| Read airline magazines | 853 | 3.3% | 6.2% |
| Read automotive magazines | 2814 | 11.0% | 12.3% |
| Read baby magazines | 869 | 3.4% | 4.1% |
| Read boating magazines | 488 | 1.9% | 2.2% |
| Read bridal magazines | 852 | 3.3% | 4.2% |
| Read business/finance magazines | 3298 | 12.9% | 18.7% |
| Read computer magazines | 654 | 2.6% | 4.2% |
| Read Epicurean magazines | 1599 | 6.3% | 8.7% |
| Read fishing/hunting magazines | 3796 | 14.9% | 12.9% |
| Read general editorial magazines | 9538 | 37.4% | 42.1% |
| Read health magazines | 3255 | 12.8% | 15.3% |
| Read home service magazines | 8156 | 32.0% | 34.6% |
| Read motorcycle magazines | 720 | 2.8% | 3.4% |
| Read music magazines | 1877 | 7.4% | 9.5% |
| Read news and entertainment weekly | 7854 | 30.8% | 41.3% |
| Read parenthood magazines | 2435 | 9.5% | 12.2% |
| Read science/technology magazines | 1246 | 4.9% | 6.3% |
| Read sports magazines | 2973 | 11.7% | 16.0% |
| Read travel magazines | 1774 | 7.0% | 8.8% |
| Read women's fashion magazines | 920 | 3.6% | 6.0% |

Source: These data area based upon national propensities to use various products and services, applied to local demographic composition. Usage data were collected by Mediamark Research Inc. in a nationally representative survey of US households.



Market Potential: Media Listen

Pine City

Total 2008 Adults: 25,512

| Product/Consumer Behavior: | <i>Expected Number of Adults</i> | <i>Expected Percent of Adults</i> | <i>Expected Percent in MN</i> |
|----------------------------------|------------------------------------------|-------------------------------------------|---------------------------------------|
| Radio access: | | | |
| Light radio listener | 5142 | 20.2% | 19.1% |
| Light-medium radio listener | 4475 | 17.5% | 20.1% |
| Medium radio listener | 4145 | 16.2% | 20.6% |
| Medium-heavy radio listener | 4180 | 16.4% | 19.8% |
| Heavy radio listener | 4547 | 17.8% | 19.6% |
| Radio format listened to: | | | |
| adult contemporary | 3526 | 13.8% | 19.2% |
| all news | 304 | 1.2% | 4.2% |
| all talk | 565 | 2.2% | 3.9% |
| alternative | 1251 | 4.9% | 8.2% |
| classic hits | 1206 | 4.7% | 4.9% |
| classic rock | 2334 | 9.1% | 11.1% |
| classical | 642 | 2.5% | 3.2% |
| contemporary hit radio | 3261 | 12.8% | 16.8% |
| country | 7330 | 28.7% | 24.6% |
| gospel | 535 | 2.1% | 2.3% |
| Hispanic | 440 | 1.7% | 3.7% |
| jazz | 448 | 1.8% | 3.9% |
| news/talk | 2650 | 10.4% | 13.2% |
| oldies | 1732 | 6.8% | 8.4% |
| public | 811 | 3.2% | 3.9% |
| religious | 1282 | 5.0% | 6.8% |
| rock | 2261 | 8.9% | 11.8% |
| soft adult contemporary | 792 | 3.1% | 5.2% |
| sports | 600 | 2.4% | 5.1% |
| urban | 1388 | 5.4% | 11.1% |
| variety/other | 1590 | 6.2% | 9.5% |

Source: These data area based upon national propensities to use various products and services, applied to local demographic composition. Usage data were collected by Mediamark Research Inc. in a nationally representative survey of US households.



Market Potential: Media Listen

Pine City

Total 2008 Adults: 25,512

| Product/Consumer Behavior: | <i>Expected Number of Adults</i> | <i>Expected Percent of Adults</i> | <i>Expected Percent in MN</i> |
|-------------------------------------|------------------------------------------|-------------------------------------------|---------------------------------------|
| Radio programming listed to: | | | |
| auto racing | 1718 | 6.7% | 7.0% |
| baseball playoffs/World Series | 2186 | 8.6% | 11.5% |
| basketball (college) | 1333 | 5.2% | 7.2% |
| basketball (pro) | 981 | 3.8% | 6.4% |
| football (college) | 2559 | 10.0% | 12.3% |
| football-Monday night (pro) | 1491 | 5.8% | 8.4% |
| football-weekend (pro) | 2376 | 9.3% | 12.9% |
| golf | 563 | 2.2% | 2.9% |
| ice hockey | 643 | 2.5% | 3.7% |
| NFL playoffs/Superbowl | 460 | 1.8% | 0.0% |
| Listen to radio: | | | |
| 6:00 am - 10:00 am weekday | 11053 | 43.3% | 53.2% |
| 10:00 am - 3:00 pm weekday | 8535 | 33.5% | 37.4% |
| 3:00 pm - 7:00 pm weekday | 9358 | 36.7% | 46.1% |
| 7:00 pm - midnight weekday | 3263 | 12.8% | 15.5% |
| midnight - 6:00 am weekday | 1160 | 4.5% | 5.3% |
| 6:00 am - 10:00 am weekend | 6767 | 26.5% | 31.7% |
| 10:00 am - 3:00 pm weekend | 8532 | 33.4% | 42.9% |
| 3:00 pm - 7:00 pm weekend | 6827 | 26.8% | 33.2% |
| 7:00 pm - midnight weekend | 3259 | 12.8% | 16.3% |
| midnight - 6:00 am weekend | 1061 | 4.2% | 4.5% |

Source: These data area based upon national propensities to use various products and services, applied to local demographic composition. Usage data were collected by Mediamark Research Inc. in a nationally representative survey of US households.

Retail Gap Analysis: Pine City Trade Area

This report estimates the potential number of businesses across store categories based on the spending of the area residents (demand) compared to the number of stores in the trade area (supply). Those categories where demand is greater than supply are opportunities for businesses development. Demand estimates are calculated from US Economic Census data and supply listings are from a national database of businesses, revised by local community members for accuracy (see Appendix 1 for more details).

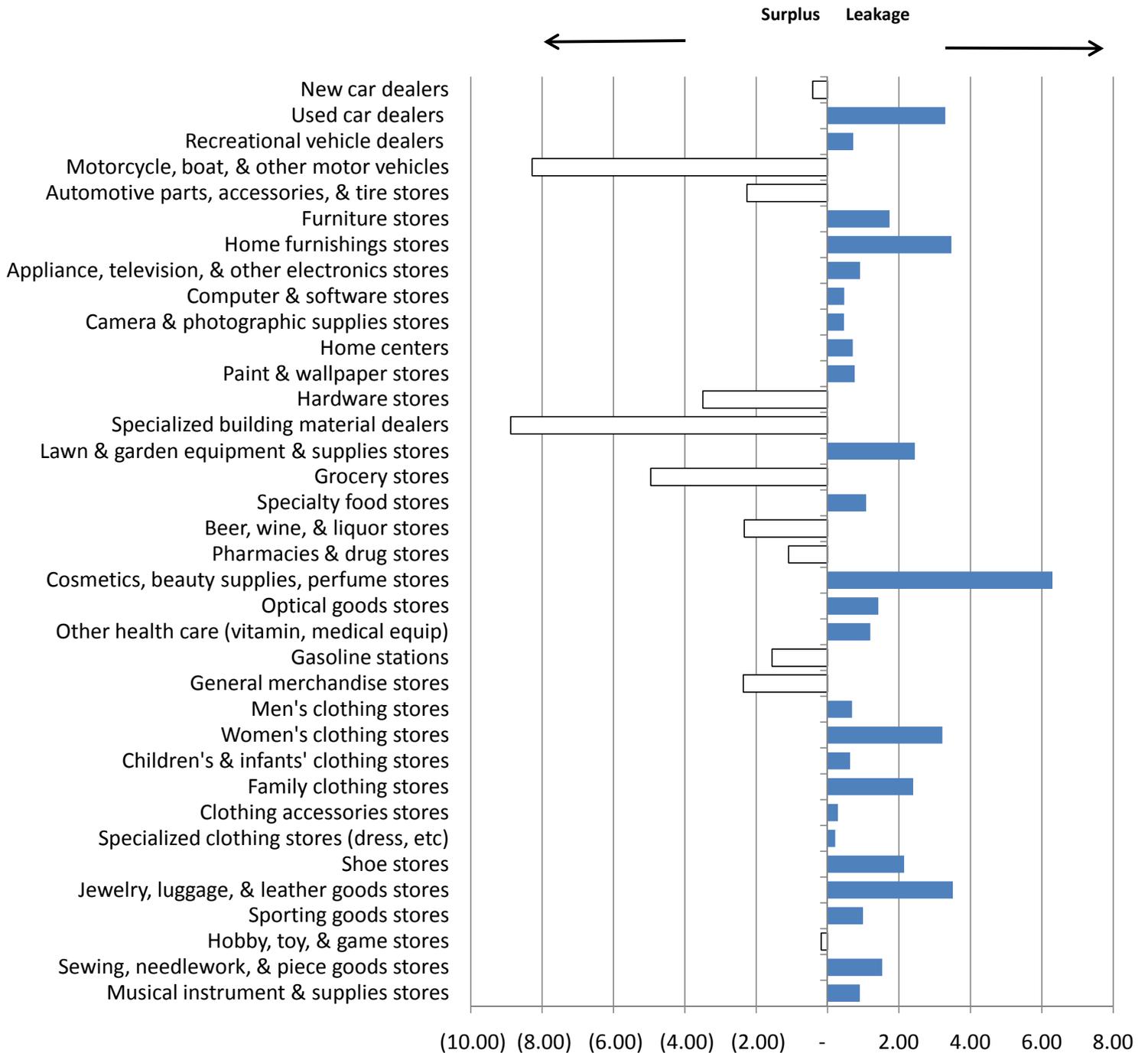
| NAICS | Name | MN Sales Per Capita | Average Sales per MN Store | Potential Sales in Trade Area | No. of Stores (Demand) | No. of Stores (Supply)* | Potential Stores (Demand - Supply) |
|---------------------------------------------------|---------------------------------------------------|---------------------|----------------------------|-------------------------------|------------------------|-------------------------|------------------------------------|
| Vehicle, Furniture, and Building Materials | | | | | | | |
| 44111 | New car dealers | \$ 2,362 | \$20,695,560 | \$ 53,370,374 | 2.6 | 3 | -0.4 |
| 44112 | Used car dealers ** | \$ 133 | \$ 412,318 | \$ 3,008,040 | 7.3 | 4 | 3.3 |
| 44121 | Recreational vehicle dealers ** | \$ 61 | \$ 1,920,979 | \$ 1,374,638 | 0.7 | 0 | 0.7 |
| 44122 | Motorcycle, boat, & other motor vehicles** | \$ 185 | \$ 1,124,219 | \$ 4,184,321 | 3.7 | 12 | -8.3 |
| 4413 | Automotive parts, accessories, & tire stores | \$ 215 | \$ 719,611 | \$ 4,848,281 | 6.7 | 9 | -2.3 |
| 4421 | Furniture stores | \$ 191 | \$ 1,575,841 | \$ 4,304,964 | 2.7 | 1 | 1.7 |
| 4422 | Home furnishings stores | \$ 170 | \$ 703,967 | \$ 3,846,264 | 5.5 | 2 | 3.5 |
| 44311 | Appliance, television, & other electronics stores | \$ 318 | \$ 1,838,817 | \$ 7,183,344 | 3.9 | 3 | 0.9 |
| 44312 | Computer & software stores | \$ 59 | \$ 911,497 | \$ 1,337,338 | 1.5 | 1 | 0.5 |
| 44313 | Camera & photographic supplies stores | \$ 17 | \$ 847,980 | \$ 389,273 | 0.5 | 0 | 0.5 |
| 44411 | Home centers | \$ 382 | \$12,306,608 | \$ 8,640,351 | 0.7 | 0 | 0.7 |
| 44412 | Paint & wallpaper stores | \$ 31 | \$ 920,244 | \$ 695,794 | 0.8 | 0 | 0.8 |
| 44413 | Hardware stores | \$ 103 | \$ 926,679 | \$ 2,318,849 | 2.5 | 6 | -3.5 |
| 44419 | Specialized building material dealers | \$ 441 | \$ 1,946,442 | \$ 9,969,015 | 5.1 | 14 | -8.9 |
| 4442 | Lawn & garden equipment & supplies stores | \$ 262 | \$ 1,716,161 | \$ 5,908,645 | 3.4 | 1 | 2.4 |
| Food, Health, and General Merchandise | | | | | | | |
| 4451 | Grocery stores | \$ 1,478 | \$ 4,737,118 | \$ 33,386,771 | 7.0 | 12 | -5.0 |
| 4452 | Specialty food stores** | \$ 36 | \$ 198,621 | \$ 809,884 | 4.1 | 3 | 1.1 |
| 4453 | Beer, wine, & liquor stores | \$ 199 | \$ 962,215 | \$ 4,490,757 | 4.7 | 7 | -2.3 |
| 44611 | Pharmacies & drug stores | \$ 448 | \$ 3,484,878 | \$ 10,131,845 | 2.9 | 4 | -1.1 |
| 44612 | Cosmetics, beauty supplies, perfume stores** | \$ 16 | \$ 56,653 | \$ 356,704 | 6.3 | 0 | 6.3 |
| 44613 | Optical goods stores | \$ 27 | \$ 430,814 | \$ 610,757 | 1.4 | 0 | 1.4 |
| 44619 | Other health care (vitamin, medical equip)** | \$ 37 | \$ 198,416 | \$ 832,265 | 4.2 | 3 | 1.2 |
| 4471 | Gasoline stations | \$ 1,100 | \$ 1,997,714 | \$ 24,850,761 | 12.4 | 14 | -1.6 |
| 452 | General merchandise stores | \$ 1,715 | \$ 8,357,120 | \$ 38,740,239 | 4.6 | 7 | -2.4 |
| Clothing | | | | | | | |
| 44811 | Men's clothing stores | \$ 19 | \$ 632,764 | \$ 432,866 | 0.7 | 0 | 0.7 |
| 44812 | Women's clothing stores | \$ 93 | \$ 657,103 | \$ 2,111,545 | 3.2 | 0 | 3.2 |
| 44813 | Children's & infants' clothing stores | \$ 19 | \$ 702,368 | \$ 439,388 | 0.6 | 0 | 0.6 |
| 44814 | Family clothing stores | \$ 196 | \$ 1,849,804 | \$ 4,437,326 | 2.4 | 0 | 2.4 |
| 44815 | Clothing accessories stores** | \$ 7 | \$ 126,439 | \$ 162,748 | 1.3 | 1 | 0.3 |
| 44819 | Specialized clothing stores (dress, etc)** | \$ 25 | \$ 260,028 | \$ 574,605 | 2.2 | 2 | 0.2 |
| 44821 | Shoe stores | \$ 59 | \$ 623,300 | \$ 1,338,085 | 2.1 | 0 | 2.1 |
| 4483 | Jewelry, luggage, & leather goods stores | \$ 77 | \$ 497,277 | \$ 1,745,666 | 3.5 | 0 | 3.5 |
| Leisure Goods | | | | | | | |
| 45111 | Sporting goods stores | \$ 156 | \$ 707,177 | \$ 3,529,623 | 5.0 | 4 | 1.0 |
| 45112 | Hobby, toy, & game stores** | \$ 47 | \$ 379,238 | \$ 1,068,451 | 2.8 | 3 | -0.2 |
| 45113 | Sewing, needlework, & piece goods stores** | \$ 24 | \$ 213,338 | \$ 539,602 | 2.5 | 1 | 1.5 |
| 45114 | Musical instrument & supplies stores** | \$ 23 | \$ 566,062 | \$ 512,069 | 0.9 | 0 | 0.9 |
| 45121 | Book Store | \$ 49 | \$ 339,663 | \$ 1,109,823 | 3.3 | 1 | 2.3 |
| 45122 | Tape, compact disc, & record stores | \$ 17 | \$ 493,748 | \$ 379,988 | 0.8 | 2 | -1.2 |

| NAICS | Name | MN Sales Per Capita | Sales per Ave. MN Store | Potential Sales in Trade Area | No. of Stores (Demand) | No. of Stores (Supply)* | Potential Stores (Demand - Supply) |
|----------------------------------------|-------------------------------------------------|------------------------------|-------------------------------|----------------------------------|------------------------------|-------------------------------|---------------------------------------------|
| Miscellaneous Retail | | | | | | | |
| 4531 | Florists | \$ 35 | \$ 200,103 | \$ 795,210 | 4.0 | 6 | -2.0 |
| 45321 | Office supplies & stationery stores | \$ 56 | \$ 1,175,906 | \$ 1,264,850 | 1.1 | 0 | 1.1 |
| 45322 | Gift, novelty, & souvenir stores** | \$ 71 | \$ 155,220 | \$ 1,592,763 | 10.3 | 3 | 7.3 |
| 4533 | Used merchandise stores | \$ 27 | \$ 78,620 | \$ 599,398 | 7.6 | 4 | 3.6 |
| 45391 | Pet & pet supplies stores | \$ 32 | \$ 492,062 | \$ 713,090 | 1.4 | 0 | 1.4 |
| 45392 | Art dealers** | \$ 7 | \$ 87,347 | \$ 159,996 | 1.8 | 1 | 0.8 |
| 45393 | Manufactured (mobile) home dealers | \$ 35 | \$ 1,660,335 | \$ 792,082 | 0.5 | 3 | -2.5 |
| 51213 | Motion picture & video exhibition** | \$ 35 | \$ 1,326,008 | \$ 787,750 | 0.6 | 1 | -0.4 |
| 54192 | Photographic services | \$ 67 | \$ 170,832 | \$ 1,523,851 | 8.9 | 3 | 5.9 |
| Rental | | | | | | | |
| 5321 | Automotive equipment rental & leasing | \$ 168 | \$ 1,670,422 | \$ 3,796,523 | 2.3 | 3 | -0.7 |
| 53222 | Formal wear & costume rental** | \$ 4 | \$ 419,936 | \$ 86,938 | 0.2 | 0 | 0.2 |
| 53223 | Video tape & disc rental | \$ 26 | \$ 356,665 | \$ 590,713 | 1.7 | 2 | -0.3 |
| 5323 | General rental centers** | \$ 10 | \$ 266,146 | \$ 225,189 | 0.8 | 1 | -0.2 |
| Amusement and Recreation | | | | | | | |
| 7131 | Amusement parks & arcades** | \$ 13 | \$ 516,643 | \$ 290,649 | 0.6 | 0 | 0.6 |
| 7139 | Other amusement (bowling, golf, fitness) | \$ 198 | \$ 244,851 | \$ 4,483,914 | 18.3 | 14 | 4.3 |
| Accommodation and Food Services | | | | | | | |
| 7211 | Traveler accommodation | \$ 414 | \$ 1,085,592 | \$ 9,361,179 | 8.6 | 12 | -3.4 |
| 7212 | RV parks & recreational camps** | \$ 16 | \$ 114,079 | \$ 355,801 | 3.1 | 7 | -3.9 |
| 7221 | Full-service restaurants | \$ 540 | \$ 723,272 | \$ 12,210,041 | 16.9 | 39 | -22.1 |
| 7222 | Limited-service eating places | \$ 439 | \$ 555,217 | \$ 9,920,229 | 17.9 | 4 | 13.9 |
| 7224 | Drinking places (alcoholic beverages) | \$ 68 | \$ 265,422 | \$ 1,530,220 | 5.8 | 10 | -4.2 |
| Auto and Equipment Services | | | | | | | |
| 8111 | Automotive repair & maintenance | \$ 325 | \$ 196,533 | \$ 7,348,530 | 37.4 | 34 | 3.4 |
| 8112 | Electronic equipment repair & maintenance | \$ 78 | \$ 412,498 | \$ 1,767,369 | 4.3 | 3 | 1.3 |
| 81141 | Home/garden equipment & appliance repair** | \$ 9 | \$ 55,248 | \$ 206,625 | 3.7 | 2 | 1.7 |
| 81142 | Reupholstery & furniture repair** | \$ 5 | \$ 36,147 | \$ 121,363 | 3.4 | 1 | 2.4 |
| 81143 | Footwear & leather goods repair** | \$ 1 | \$ 40,398 | \$ 16,181 | 0.4 | 0 | 0.4 |
| 81149 | Personal goods repair (watch, boat, garment) ** | \$ 12 | \$ 13,399 | \$ 262,751 | 19.6 | 5 | 14.6 |
| Personal Services | | | | | | | |
| 812111 | Barber shops** | \$ 1 | \$ 2,960 | \$ 16,267 | 5.5 | 3 | 2.5 |
| 812112 | Beauty salons** | \$ 79 | \$ 54,630 | \$ 1,781,780 | 32.6 | 23 | 9.6 |
| 812113 | Nail salons** | \$ 5 | \$ 32,890 | \$ 113,681 | 3.5 | 0 | 3.5 |
| 81219 | Other personal care services** | \$ 14 | \$ 35,719 | \$ 315,889 | 8.8 | 0 | 8.8 |
| 81221 | Funeral homes & funeral services | \$ 43 | \$ 439,407 | \$ 970,996 | 2.2 | 5 | -2.8 |
| 81231 | Coin-operated laundries & drycleaners** | \$ 6 | \$ 78,079 | \$ 137,397 | 1.8 | 1 | 0.8 |
| 81232 | Drycleaning & laundry (except coin-operated) | \$ 19 | \$ 234,005 | \$ 440,220 | 1.9 | 1 | 0.9 |
| 81291 | Pet care (except veterinary) services** | \$ 4 | \$ 23,289 | \$ 100,829 | 4.3 | 4 | 0.3 |
| 81292 | Photofinishing** | \$ 19 | \$ 249,849 | \$ 421,674 | 1.7 | 0 | 1.7 |

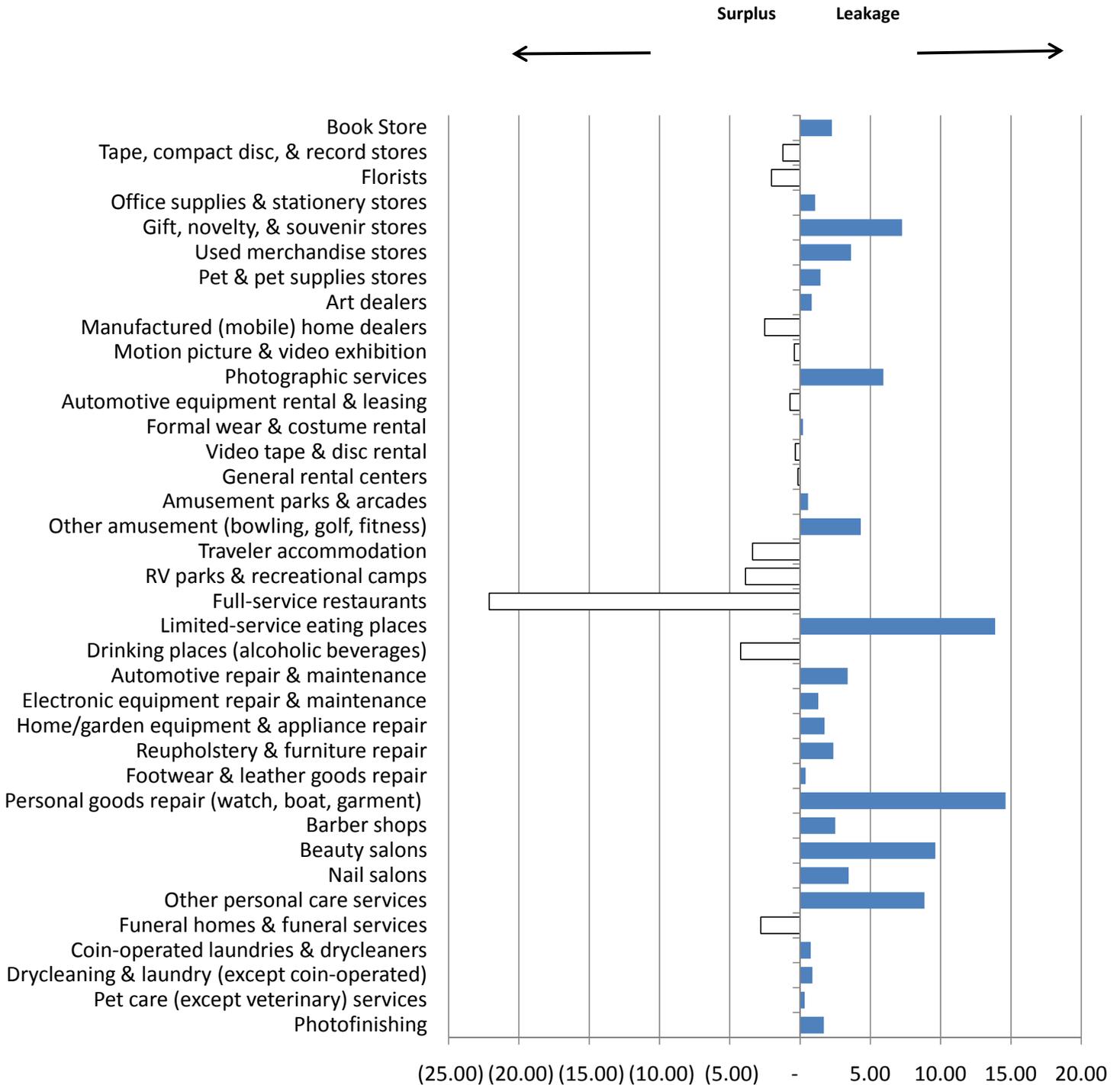
* Existing store records are from a national business database from InfoUSA and compiled from public sources including the Yellow Pages and annual reports. Care should be taken to investigate actual local conditions, including the number of operating businesses in any NAICS category.

** Denotes a store category with a high level of non-employers (over 40% of all MN businesses)

Retail Gap Estimates by Store Format



Retail Gap Estimates by Store Format



Appendix I: Data and Methodology

Tapestry Segmentation Profile:

Segmentation systems operate on the theory that people with similar tastes, lifestyles, and behaviors seek others with the same tastes—“like seeks like.” These behaviors can be measured, predicted, and targeted. ESRI’s segmentation system, Community™ Tapestry™, combines the “who” of lifestyle demography with the “where” of local neighborhood geography to create a model of various lifestyle classifications or segments of actual neighborhoods with addresses—distinct behavioral market segments.

Segmentation Methodology:

Based on the foundation of proven segmentation methodology introduced more than 30 years ago, the Community Tapestry system classifies U.S. neighborhoods into 65 market segments. Neighborhoods with the most similar characteristics are grouped together while neighborhoods showing divergent characteristics are separated.

Each neighborhood is analyzed and sorted by more than 60 attributes including income, employment, home value, housing type, education, household composition, age, and other key determinants of consumer behavior. U.S. consumer markets are multidimensional and diverse. Using a large array of attributes captures this diversity with the most powerful data available.

Data sources such as Census 2000 data, ESRI’s proprietary demographic updates, Acxiom’s InfoBase consumer database, Mediamark Research Inc.’s Doublebase 2004 national consumer survey, and other sources are used to capture the subtlety and vibrancy of the U.S. marketplace.

Source: Community Tapestry Handbook, May 2006. Available at <http://www.esri.com>

Media, Travel and Leisure Market Potential:

These habits are derived from an ongoing, comprehensive study of the adult population of the United States called *The Survey of the American Consumer*. The survey is conducted by Mediamark Research, a national marketing firm. Conducted continuously since 1979, Mediamark surveys the demographics, product usage, and media exposure of all persons aged 18 and over in the contiguous 48 states.

Market Potential Methodology:

One adult per household is selected to participate in the survey. Each listed household is predesignated with the sex of the prospective respondent. If the household does not have any adult member of the predesignated sex, then the available respondent is selected. This is done in such a way that men and women constitute, in effect, separate samples of randomly selected individuals.

The completed Mediamark sample consists of over 25,000 respondents. Each year the sample is completely redrawn, with 13,000 new respondents entering the survey every six months. 2,400 new clusters are selected yearly from a continuously updated master list.

Resulting data is weighted to reflect the probabilities of selection inherent in the sample design and then balanced so that major study demographics match the most recent independent estimates. Weighting and subsequent balancing are accomplished within the male and female portions of the sample. The samples are then balanced on a set of population parameters.

For more information, see <http://www.mediamark.com> and follow *The Survey of the American Consumer*.

Retail Gap Analysis:

The retail gap analysis is a basic comparison of the demand for retail goods and services in an area and the supply of retail goods and services in the same area. Store categories where demand is greater than supply hold opportunity for business development and possible investigation.

Demand Data and Methodology:

Demand is calculated from 2002 US Economic Census data updated for inflation. The US Economic Census is a federally-mandated census of businesses, which surveys all medium, large, and multi-establishment firms as well as compiles data on small firms and select industries from other federal administration records.

Of particular note are the gross sales estimates per stores category (NAICS code), which we use to calculate demand. Only Minnesota data were used to represent local consumption patterns and calculate per capita spending. For each Market Area Profile, the population of the target trade area is multiplied by per capita spending across all store categories, giving an estimate of gross sales demand. To best illustrate a store gap, total sales are converted into store equivalents using the average sales per store in each category.

Supply Data and Methodology:

Supply data is from InfoUSA, a national private business data compiler. The company collects information on over 12 million private and public US companies from various public data sources, including yellow pages, annual reports, and others business directories. For each Market Area Profile, business listings in the target area are sorted according to store category (NAICS code) and matched with the demand estimate in the same category for comparison.