

**CARVER COUNTY**

**BUSINESS PARK  
SPACE AND LAND DEMAND  
2030**

**Prepared for  
Carver County**

**November 2007**

**CARVER COUNTY**

**BUSINESS PARK**

**SPACE AND LAND DEMAND**

**2030**

**Prepared for**  
**Carver County**

**Prepared by**  
**McComb Group, Ltd.**

**November 2007**

## TABLE OF CONTENTS

Chapter	Subject	Page
	SUMMARY OF FINDINGS: BUSINESS PARK SPACE AND LAND DEMAND .....	x
	INTRODUCTION .....	xviii
1	CARVER COUNTY BUSINESS PARK DEVELOPMENT POTENTIAL.....	1-1
	Office Warehouse/Industrial Demand .....	1-2
	Bulk Warehouse Demand .....	1-6
	Commercial Office Demand .....	1-9
	Office Showroom Demand .....	1-12
2	CARVER BUSINESS PARK DEVELOPMENT POTENTIAL .....	2-1
	Existing Business Park Development .....	2-1
	Office Warehouse/Industrial Demand .....	2-2
	Bulk Warehouse Demand .....	2-3
	Commercial Office Demand .....	2-4
	Office Showroom Demand .....	2-6
	Summary .....	2-7
3	CHANHASSEN BUSINESS PARK DEVELOPMENT POTENTIAL.....	3-1
	Existing Business Park Development .....	3-1
	Office Warehouse/Industrial Demand .....	3-2
	Bulk Warehouse Demand .....	3-3
	Commercial Office Demand .....	3-4
	Office Showroom Demand .....	3-6
	Summary .....	3-7
4	CHASKA BUSINESS PARK DEVELOPMENT POTENTIAL .....	4-1
	Existing Business Park Development .....	4-1
	Office Warehouse/Industrial Demand .....	4-2
	Bulk Warehouse Demand .....	4-3
	Commercial Office Demand .....	4-4
	Office Showroom Demand .....	4-6
	Summary .....	4-7
5	COLOGNE BUSINESS PARK DEVELOPMENT POTENTIAL.....	5-1
	Existing Business Park Development .....	5-1
	Office Warehouse/Industrial Demand .....	5-1
	Bulk Warehouse Demand .....	5-3
	Commercial Office Demand .....	5-4
	Office Showroom Demand .....	5-5
	Summary .....	5-5

## TABLE OF CONTENTS (continued)

Chapter	Subject	Page
6	HAMBURG BUSINESS PARK DEVELOPMENT POTENTIAL .....	6-1
	Existing Business Park Development .....	6-1
	Office Warehouse/Industrial Demand .....	6-1
	Bulk Warehouse Demand .....	6-2
	Commercial Office Demand .....	6-2
	Office Showroom Demand .....	6-3
	Summary .....	6-3
7	MAYER BUSINESS PARK DEVELOPMENT POTENTIAL .....	7-1
	Existing Business Park Development .....	7-1
	Office Warehouse/Industrial Demand .....	7-2
	Bulk Warehouse Demand .....	7-3
	Commercial Office Demand .....	7-4
	Office Showroom Demand .....	7-5
	Summary .....	7-5
8	NEW GERMANY BUSINESS PARK DEVELOPMENT POTENTIAL .....	8-1
	Existing Business Park Development .....	8-1
	Office Warehouse/Industrial Demand .....	8-1
	Bulk Warehouse Demand .....	8-2
	Commercial Office Demand .....	8-3
	Office Showroom Demand .....	8-3
	Summary .....	8-3
9	NORWOOD YOUNG AMERICA BUSINESS PARK DEVELOPMENT POTENTIAL .....	9-1
	Existing Business Park Development .....	9-1
	Office Warehouse/Industrial Demand .....	9-2
	Bulk Warehouse Demand .....	9-3
	Commercial Office Demand .....	9-4
	Office Showroom Demand .....	9-6
	Summary .....	9-7
10	VICTORIA BUSINESS PARK DEVELOPMENT POTENTIAL .....	10-1
	Existing Business Park Development .....	10-1
	Office Warehouse/Industrial Demand .....	10-2
	Bulk Warehouse Demand .....	10-2
	Commercial Office Demand .....	10-3
	Office Showroom Demand .....	10-5
	Summary .....	10-6

**TABLE OF CONTENTS (continued)**

<u>Chapter</u>	<u>Subject</u>	<u>Page</u>
11	WACONIA BUSINESS PARK DEVELOPMENT POTENTIAL .....	11-1
	Existing Business Park Development .....	11-1
	Office Warehouse/Industrial Demand .....	11-2
	Bulk Warehouse Demand .....	11-3
	Commercial Office Demand .....	11-4
	Office Showroom Demand .....	11-6
	Summary .....	11-7
12	WATERTOWN BUSINESS PARK DEVELOPMENT POTENTIAL .....	12-1
	Existing Business Park Development .....	12-1
	Office Warehouse/Industrial Demand .....	12-2
	Bulk Warehouse Demand .....	12-2
	Commercial Office Demand .....	12-3
	Office Showroom Demand .....	12-4
	Summary .....	12-4

## LIST OF TABLES

Table	Title	Page
1-1	Carver County Business Park Space and Land; 1986 to 2006: Multi-Tenant and Single Tenant by City .....	1-1
1-2	Carver County Office Warehouse/Industrial Space and Land; 1986 to 2006 Multi-Tenant and Single Tenant by City .....	1-3
1-3	Carver County Office Warehouse/Industrial Space Absorption by Five-Year Period .....	1-4
1-4	Future Office Warehouse/Industrial Space Demand; 2006 to 2030: Metro Area, Southwest Submarket and Carver County .....	1-5
1-5	Carver County Bulk Warehouse Space and Land; 1986 to 2006: Multi-Tenant and Single Tenant by City .....	1-7
1-6	Carver County Bulk Warehouse Buildings Space by Five-Year Period .....	1-6
1-7	Future Bulk Warehouse Space Demand; 2006 to 2030: Metro Area, Southwest Submarket and Carver County .....	1-8
1-8	Carver County Commercial Office Space and Land; 1986 to 2006: Multi-Tenant and Single Tenant by City .....	1-10
1-9	Carver County Commercial Office Buildings Space by Five-Year Period .....	1-9
1-10	Future Commercial Office Space Demand; 2006 to 2030: Metro Area, Southwest Submarket and Carver County .....	1-11
1-11	Carver County Office Showroom Space and Land; 1986 to 2006: Multi-Tenant and Single Tenant by City .....	1-12
1-12	Carver County Office Showroom Buildings Space by Five-Year Period .....	1-13
1-13	Future Office Showroom Space Demand; 2006 to 2030: Metro Area, Southwest Submarket and Carver County .....	1-14
2-1	Carver Business Park and Land; 1986 to 2006: Multi-Tenant and Single Tenant Buildings .....	2-1
2-2	Carver Office Warehouse/Industrial Buildings GBA by Five-Year Period .....	2-2
2-3	Future Office Warehouse Space Demand; 2006 to 2030: Metro Area, Southwest Submarket, Carver County and Carver .....	2-3
2-4	Carver Bulk Warehouse Buildings GBA by Five-Year Period .....	2-3
2-5	Future Bulk Warehouse Space Demand; 2006 to 2030: Metro Area Southwest Submarket, Carver County and Carver .....	2-4
2-6	Carver Commercial Office Buildings GBA by Five-Year Period .....	2-5
2-7	Future Commercial Office Space Demand; 2006 to 2030: Metro Area, Southwest Submarket, Carver County and Carver .....	2-5

## LIST OF TABLES (continued)

Table	Title	Page
2-8	Carver Office Showroom Buildings GBA by Five-Year Period .....	2-6
2-9	Future Office Showroom Space Demand; 2006 to 2030: Metro Area, Southwest Submarket, Carver County and Carver.....	2-6
2-10	Carver Estimated Business Park Space Demand; 2008 to 2030.....	2-7
2-11	Carver Estimated Business Park Land Demand; 2008 to 2030 .....	2-7
3-1	Chanhassen Business Park and Land; 1986 to 2006: Multi-Tenant and Single Tenant Buildings .....	3-1
3-2	Chanhassen Office Warehouse/Industrial Buildings GBA by Five-Year Period.....	3-2
3-3	Future Office Warehouse Space Demand; 2006 to 2030: Metro Area, Southwest Submarket, Carver County and Chanhassen .....	3-3
3-4	Chanhassen Bulk Warehouse Buildings GBA by Five-Year Period.....	3-3
3-5	Future Bulk Warehouse Space Demand; 2006 to 2030: Metro Area Southwest Submarket, Carver County and Chanhassen .....	3-4
3-6	Chanhassen Commercial Office Buildings GBA by Five-Year Period.....	3-5
3-7	Future Commercial Office Space Demand; 2006 to 2030: Metro Area, Southwest Submarket, Carver County and Chanhassen .....	3-5
3-8	Chanhassen Office Showroom Buildings GBA by Five-Year Period.....	3-6
3-9	Future Office Showroom Space Demand; 2006 to 2030: Metro Area, Southwest Submarket, Carver County and Chanhassen .....	3-6
3-10	Chanhassen Estimated Business Park Space Demand; 2008 to 2030.....	3-7
3-11	Chanhassen Estimated Business Park Land Demand; 2008 to 2030.....	3-7
4-1	Chaska Business Park and Land; 1986 to 2006: Multi-Tenant and Single Tenant Buildings .....	4-1
4-2	Chaska Office Warehouse/Industrial Buildings GBA by Five-Year Period .....	4-2
4-3	Future Office Warehouse Space Demand; 2006 to 2030: Metro Area, Southwest Submarket, Carver County and Chaska.....	4-3
4-4	Chaska Bulk Warehouse Buildings GBA by Five-Year Period .....	4-3
4-5	Future Bulk Warehouse Space Demand; 2006 to 2030: Metro Area Southwest Submarket, Carver County and Chaska.....	4-4
4-6	Chaska Commercial Office Buildings GBA by Five-Year Period .....	4-5
4-7	Future Commercial Office Space Demand; 2006 to 2030 Metro Area, Southwest Submarket, Carver County and Chaska .....	4-5

## LIST OF TABLES (continued)

Table	Title	Page
4-8	Chaska Office Showroom Buildings GBA by Five-Year Period .....	4-6
4-9	Future Office Showroom Space Demand; 2006 to 2030: Metro Area, Southwest Submarket, Carver County and Chaska.....	4-6
4-10	Chaska Estimated Business Park Space Demand; 2008 to 2030.....	4-7
4-11	Chaska Estimated Business Park Land Demand; 2008 to 2030 .....	4-7
5-1	Cologne Business Park and Land; 1986 to 2006: Multi-Tenant and Single Tenant Buildings .....	5-1
5-2	Cologne Office Warehouse/Industrial Buildings GBA by Five-Year Period.....	5-2
5-3	Future Office Warehouse Space Demand; 2006 to 2030: Metro Area, Southwest Submarket, Carver County and Cologne .....	5-2
5-4	Cologne Bulk Warehouse Buildings GBA by Five-Year Period.....	5-3
5-5	Future Bulk Warehouse Space Demand; 2006 to 2030: Metro Area Southwest Submarket, Carver County and Cologne .....	5-4
5-6	Cologne Commercial Office Buildings GBA by Five-Year Period .....	5-4
5-7	Cologne Office Showroom Buildings GBA by Five-Year Period.....	5-5
5-8	Cologne Estimated Business Park Space Demand; 2008 to 2030 .....	5-5
5-9	Cologne Estimated Business Park Land Demand; 2008 to 2030 .....	5-6
6-1	Hamburg Business Park and Land; 1986 to 2006: Multi-Tenant and Single Tenant Buildings .....	6-1
6-2	Hamburg Office Warehouse/Industrial Buildings GBA by Five-Year Period ....	6-2
6-3	Hamburg Bulk Warehouse Buildings GBA by Five-Year Period.....	6-2
6-4	Hamburg Commercial Office Buildings GBA by Five-Year Period.....	6-3
6-5	Hamburg Office Showroom Buildings GBA by Five-Year Period .....	6-3
7-1	Mayer Business Park and Land; 1986 to 2006: Multi-Tenant and Single Tenant Buildings .....	7-1
7-2	Mayer Office Warehouse/Industrial Buildings GBA by Five-Year Period.....	7-2
7-3	Future Office Warehouse Space Demand; 2006 to 2030: Metro Area, Southwest Submarket, Carver County and Mayer .....	7-3
7-4	Mayer Bulk Warehouse Buildings GBA by Five-Year Period.....	7-3
7-5	Future Bulk Warehouse Space Demand; 2006 to 2030: Metro Area Southwest Submarket, Carver County and Mayer .....	7-4

## LIST OF TABLES (continued)

Table	Title	Page
7-6	Mayer Commercial Office Buildings GBA by Five-Year Period .....	7-5
7-7	Mayer Office Showroom Buildings GBA by Five-Year Period.....	7-5
7-8	Mayer Estimated Business Park Space Demand; 2008 to 2030 .....	7-6
7-9	Mayer Estimated Business Park Land Demand; 2008 to 2030.....	7-6
8-1	New Germany Business Park and Land; 1986 to 2006: Multi-Tenant and Single Tenant Buildings .....	8-1
8-2	New Germany Office Warehouse/Industrial Buildings GBA by Five-Year Period.....	8-2
8-3	New Germany Bulk Warehouse Buildings GBA by Five-Year Period.....	8-2
8-4	New Germany Commercial Office Buildings GBA by Five-Year Period .....	8-3
8-5	New Germany Office Showroom Buildings GBA by Five-Year Period.....	8-3
9-1	Norwood Young America Business Park and Land; 1986 to 2006: Multi- Tenant and Single Tenant Buildings .....	9-1
9-2	Norwood Young America Office Warehouse/Industrial Buildings GBA by Five-Year Period .....	9-2
9-3	Future Office Warehouse Space Demand; 2006 to 2030: Metro Area, Southwest Submarket, Carver County and Norwood Young America.....	9-3
9-4	Norwood Young America Bulk Warehouse Buildings GBA by Five-Year Period.....	9-3
9-5	Future Bulk Warehouse Space Demand; 2006 to 2030: Metro Area Southwest Submarket, Carver County and Norwood Young America.....	9-4
9-6	Norwood Young America Commercial Office Buildings GBA by Five- Year Period.....	9-5
9-7	Future Commercial Office Space Demand; 2006 to 2030: Metro Area, Southwest Submarket, Carver County and Norwood Young America.....	9-5
9-8	Norwood Young America Office Showroom Buildings GBA by Five- Year Period.....	9-6
9-9	Future Office Showroom Space Demand; 2006 to 2030: Metro Area, Southwest Submarket, Carver County and Norwood Young America.....	9-6
9-10	Norwood Young America Estimated Business Park Space Demand; 2008 to 2030.....	9-7
9-11	Norwood Young America Estimated Business Park Land Demand; 2008 to 2030.....	9-7

## LIST OF TABLES (continued)

Table	Title	Page
10-1	Victoria Business Park and Land; 1986 to 2006: Multi-Tenant and Single Tenant Buildings .....	10-1
10-2	Victoria Office Warehouse/Industrial Buildings GBA by Five-Year Period.....	10-2
10-3	Future Office Warehouse Space Demand; 2006 to 2030: Metro Area, Southwest Submarket, Carver County and Victoria .....	10-3
10-4	Victoria Bulk Warehouse Buildings GBA by Five-Year Period.....	10-3
10-5	Victoria Commercial Office Buildings GBA by Five-Year Period.....	10-4
10-6	Future Commercial Office Space Demand; 2006 to 2030: Metro Area, Southwest Submarket, Carver County and Victoria .....	10-4
10-7	Victoria Office Showroom Buildings GBA by Five-Year Period.....	10-5
10-8	Future Office Showroom Space Demand; 2006 to 2030: Metro Area, Southwest Submarket, Carver County and Victoria .....	10-5
10-9	Victoria Estimated Business Park Space Demand; 2008 to 2030.....	10-6
10-10	Victoria Estimated Business Park Land Demand; 2008 to 2030.....	10-6
11-1	Waconia Business Park and Land; 1986 to 2006: Multi-Tenant and Single Tenant Buildings .....	11-1
11-2	Waconia Office Warehouse/Industrial Buildings GBA by Five-Year Period.....	11-2
11-3	Future Office Warehouse Space Demand; 2006 to 2030: Metro Area, Southwest Submarket, Carver County and Waconia .....	11-3
11-4	Waconia Bulk Warehouse Buildings GBA by Five-Year Period.....	11-3
11-5	Future Bulk Warehouse Space Demand; 2006 to 2030: Metro Area Southwest Submarket, Carver County and Waconia .....	11-4
11-6	Waconia Commercial Office Buildings GBA by Five-Year Period.....	11-5
11-7	Future Commercial Office Space Demand; 2006 to 2030: Metro Area, Southwest Submarket, Carver County and Waconia .....	11-5
11-8	Waconia Office Showroom Buildings GBA by Five-Year Period.....	11-6
11-9	Future Office Showroom Space Demand; 2006 to 2030: Metro Area, Southwest Submarket, Carver County and Waconia .....	11-6
11-10	Waconia Estimated Business Park Space Demand; 2008 to 2030 .....	11-7
11-11	Waconia Estimated Business Park Land Demand; 2008 to 2030.....	11-7

**LIST OF TABLES (continued)**

<u>Table</u>	<u>Title</u>	<u>Page</u>
12-1	Watertown Business Park and Land; 1986 to 2006: Multi-Tenant and Single Tenant Buildings .....	12-1
12-2	Watertown Office Warehouse/Industrial Buildings GBA by Five-Year Period.....	12-2
12-3	Watertown Bulk Warehouse Buildings GBA by Five-Year Period .....	12-2
12-4	Future Bulk Warehouse Space Demand; 2006 to 2030: Metro Area Southwest Submarket, Carver County and Watertown.....	12-3
12-5	Watertown Commercial Office Buildings GBA by Five-Year Period .....	12-4
12-6	Watertown Office Showroom Buildings GBA by Five-Year Period .....	12-4
12-7	Watertown Estimated Business Park Space Demand; 2008 to 2030.....	12-5
12-8	Watertown Estimated Business Park Land Demand; 2008 to 2030 .....	12-5

## **SUMMARY OF FINDINGS BUSINESS PARK SPACE AND LAND DEMAND**

The objective of this study was to estimate the amount of land needed to support future business park development in Carver County. The estimates provided are to be used in preparing 2030 comprehensive plans for individual communities. The best indicator of future land use is the demand for business park type development.

Future business park development in Carver County will be related to growth in the Metropolitan Area and the portion that is likely to be captured in the southwest market area. Carver County can be expected to capture a portion of the southwest market area growth and each of the county's communities will share in that growth. Business park is a term used by the development industry for an area that contains commercial office, office showroom, office warehouse and bulk warehouse buildings. These categories include both single tenant buildings and multi-tenant developments and are the type of buildings that generally locate in suburban business parks.

Future estimates of business park development are based on historic market share trends in the southwest market area and Carver County. These estimates reflect the impact of development incentives, if any, that may have influenced the amount of development in an individual community. If a community that did not offer development incentives in the past chooses to do so in the future, may experience development that exceeds the future estimates. If a community that was offering development incentives stops doing so, development may be lower than estimated. Actual demand will depend on economic trends in the Metro Area, suitable available land, and developer or tenant interest.

### **Historic Business Park Demand**

Business park space in Carver County increased from 3.9 million square feet in 1986 to 10.7 million square feet in 2006, as shown in Table i. In 1986, Chaska with 2.0 million square feet of space, represented over 50 percent of Carver County's business park development. Chanhassen ranked second with under a million square feet, and Waconia was third with 375,000 square feet. Between 1986 and 2006, Chanhassen added almost three million square feet of space or about 44 percent of the total growth in the county. Chaska ranked second adding 2.8 million square feet or 41 percent of the county's growth. Thus, Chanhassen and Chaska represented 85 percent of the business park development in Carver County. Waconia continued to rank third adding 452,000 square feet followed by Norwood Young America, which added 235,000 square feet.

Chaska's 5.8 million square feet of business park development in 2006 represented 45 percent of Carver County's inventory. Chanhassen, with 3.9 million square feet, represented 37 percent of the county's business park development. Business park development is concentrated in the two cities closest to Hennepin County: Chanhassen and Chaska. Waconia, with 826,000 square feet of space in 2006, has benefited from its location on TH-5. Similarly, Norwood Young America has benefited from its location on TH-212. Business park development in other Carver County communities has been more modest as shown in Table i. Business park uses occupied 1,210

acres of land in 2006. Chaska had 504 acres devoted to business park use, followed by Chanhassen with 432 acres.

Table i  
 CARVER COUNTY BUSINESS PARK SPACE AND LAND; 1986 AND 2006 BY CITY  
 (Thousands of Square Feet and Acres)

City	Square Feet			Acres
	1986	Increase	2006	2006
Carver	45.0	8.5	53.5	10.0
Chanhassen	966.9	2,990.4	3,957.3	432.0
Chaska	2,049.0	2,782.8	4,831.8	504.0
Cologne	87.0	34.5	121.5	29.0
Hamburg	29.2	4.4	33.6	8.0
Mayer	6.7	154.8	161.5	25.0
New Germany	41.9	1.8	43.7	20.0
Norwood-Young America	120.8	235.0	355.8	31.0
Victoria	61.0	32.6	93.6	23.0
Waconia	375.0	451.8	826.8	78.0
Watertown	153.2	82.7	235.9	50.0
Carver County Total	3,935.7	6,779.3	10,715.0	1,210.0

Source: Carver County and McComb Group, Ltd.

Office warehouse/industrial is the largest category in Carver County with over 4.8 million square feet in 2006 representing 45 percent of all space, as shown in Table ii. Bulk warehouse space ranks second with 4.4 million square feet or 41 percent. Office warehouse/industrial space has increased at a faster rate than bulk warehouse. Commercial office space was a relatively small category in 1986, but currently amounts to over 1.2 million square feet or 11.5 percent of the total. Office showroom is a very small category with only 240,000 square feet of space, all of which is located in Chanhassen.

Table ii  
 CARVER COUNTY BUSINESS PARK SPACE AND LAND; 1986 TO 2006  
 MULTI-TENANT AND SINGLE TENANT BY CITY  
 (In Thousands of Square Feet)

Type	1986	Increase				2006	Land
	Total	1986-91	1992-96	1997-01	2002-06	Total	(acres)
Office Warehouse/Industrial	1,373.3	1,144.3	827.5	1,201.8	272.8	4,819.6	490.0
Bulk Warehouse	2,218.8	993.9	559.6	297.3	351.6	4,421.2	566.0
Commercial Office	282.9	435.2	82.9	121.5	314.4	1,236.9	132.0
Office Showroom	68.4	56.0	15.4	55.8	44.2	239.8	22.0
Total	3,943.5	2,629.4	1,485.3	1,676.4	982.9	10,717.5	1,210.0

Source: Carver County and McComb Group, Ltd.

The largest increase in space occurred between 1986 and 1991 when over 2.6 million square feet of space was added. This represented 39 percent of the space added over the past 20 years. During the period 1992 to 1996, development of business park space declined to less than 1.5

million square feet, and then rebounded slightly to about 1.7 million square feet in the 1997 to 2001 period. In the last five years, less than one million square feet of space has been added.

Carver County had 1,210 acres devoted to business park use in 2006. Bulk warehouse occupied the largest amount of land -- 566 acres. Office warehouse/industrial was second with 490 acres. Commercial office accounted for 132 acres followed by office showroom at 22 acres.

These tabulations of gross building area and land area are based on extensive analysis of Carver County building records compiled by Carver County staff, field surveys conducted by participating municipalities, and McComb Group. This is probably the most comprehensive inventory of business park space that exists in any Minnesota county.

### Future Business Park Land Demand

Demand for business park development and land were prepared for eleven Carver County communities. Business park space and land estimates for each community are described in Chapters 2 through 12. Demand for office warehouse/industrial, bulk warehouse, commercial office and office showroom space in each community were estimated to 2030. A 25 percent contingency was added to each 2030 estimate.

Estimated land demand in this report is based on the estimated square feet of business park space to be developed, by category in each community plus a 25 percent contingency. The contingency was added to the estimated 2030 demand for each community for two reasons: 1) Carver County growth will not end in 2030; and 2) the contingency provides for the possibility that demand for business park space may exceed the 2030 estimates. As a result, the estimates of business park building square feet and acres of land are about 25 percent above the actual estimated demand for 2030, but represent a reasonable basis for estimating future land needs.

Table iii  
CARVER COUNTY BUSINESS PARK SPACE AND LAND; 2006 AND 2030 ESTIMATED  
BY CITY  
(Thousands of Square Feet and Acres)

City	Square Feet			Acres		
	2006	Increase	2030	2006	Increase	2030
Carver	53.5	464.0	517.5	10.0	33.0	43.0
Chanhasen	3,957.3	5,244.0	9,201.3	432.0	369.0	801.0
Chaska	4,831.8	3,800.0	8,631.8	504.0	261.0	765.0
Cologne	121.5	108.0	229.5	29.0	7.0	36.0
Hamburg	33.6	-	33.6	8.0	-	8.0
Mayer	161.5	196.0	357.5	25.0	14.0	39.0
New Germany	43.7	-	43.7	20.0	-	20.0
Norwood-Young America	355.8	372.0	727.8	31.0	26.0	57.0
Victoria	93.6	203.0	296.6	23.0	15.0	38.0
Waconia	826.8	926.0	1,752.8	78.0	66.0	144.0
Watertown	235.9	26.0	261.9	50.0	2.0	52.0
Carver County Total	10,715.0	11,339.0	22,054.0	1,210.0	793.0	2,003.0

Source: Carver County and McComb Group, Ltd.

Over the next 23 years, Carver County business park space is expected to increase by about 9.1 million square feet. Adding a 25 percent contingency of about 2.2 million square feet results in total of 11.3 million square feet, as shown in Table iii. This indicates that Carver County should plan on accommodating about 22.1 million square feet of business park space in its 2030 comprehensive plan. It does not mean that each community will have that much space in 2030. This is an estimate for planning purposes. Land occupied by business park uses is estimated to increase from 1,210 acres in 2006 to 2,003 acres in the future, an increase of 793 acres.

Future business park development is expected to be concentrated in those communities in close proximity to Hennepin County. As a result, Chanhassen and Chaska are anticipated to continue to capture the majority of the business park development due to their proximity to Hennepin County, excellent road network, and available land. Several communities in addition to Chanhassen and Chaska are estimated to benefit from the completion of new TH-212. These communities include: Carver, Cologne, and Norwood Young America. New TH-212 is likely to reduce traffic congestion on TH-5 to the benefit of Waconia and Victoria. Other smaller communities are expected to experience more modest business park development based on demand generated by their local economy.

### Office Warehouse/Industrial

Carver County communities should plan for an additional 7.9 million square feet of office warehouse/industrial space, as shown in Table iv. This estimate includes a 25 percent contingency. Chanhassen and Chaska are expected to capture the largest portion of this growth with 3.4 million and 3.0 million square feet of space, respectively. Waconia ranks third with potential for 620,000 square feet, followed by Norwood Young America with 270,000 square feet. The City of Carver is expected to benefit from the completion of TH-212 with potential for 256,000 square feet.

Table iv  
CARVER COUNTY OFFICE WAREHOUSE/INDUSTRIAL SPACE AND LAND; 2006 AND 2030 ESTIMATED  
BY CITY  
(Thousands of Square Feet and Acres)

City	Square Feet			Acres		
	2006	Increase	2030	2006	Increase	2030
Carver	20.4	256.0	276.4	4.0	17.0	21.0
Chanhassen	1,332.1	3,402.0	4,734.1	146.0	227.0	373.0
Chaska	2,836.2	3,007.0	5,843.2	279.0	200.0	479.0
Cologne	73.2	95.0	168.2	5.0	6.0	11.0
Hamburg	-	-	-	-	-	-
Mayer	67.4	144.0	211.4	9.0	10.0	19.0
New Germany	8.1	-	8.1	12.0	-	12.0
Norwood-Young America	175.8	270.0	445.8	11.0	18.0	29.0
Victoria	4.6	144.0	148.6	1.0	10.0	11.0
Waconia	298.2	620.0	918.2	22.0	41.0	63.0
Watertown	3.6	-	3.6	1.0	-	1.0
Carver County Total	4,819.6	7,938.0	12,757.6	490.0	529.0	1,019.0

Source: Carver County and McComb Group, Ltd.

Approximately 529 acres of land will be needed to support this development. This would increase office warehouse/industrial land use in Carver County to an estimated 1,019 acres.

### Bulk Warehouse

Bulk warehouse space in Carver County is estimated to increase from about 4.5 million square feet to 5.0 million square feet. Bulk warehouse development has slowed in the Metropolitan Area, the southwest corridor, and Carver County as land costs have increased. Chaska is expected to capture 240,000 square feet or 44 percent of the increase. Future increases in bulk warehouse space are more evenly distributed with Carver, Mayer, Norwood Young America and Waconia expected to capture 51,000 to 60,000 square feet. Land area to support this growth in bulk warehouse space is estimated at 38 acres.

Table v  
CARVER COUNTY BULK WAREHOUSE SPACE AND LAND; 2006 AND 2030 ESTIMATED  
BY CITY  
(Thousands of Square Feet and Acres)

City	Square Feet			Acres		
	2006	Increase	2030	2006	Increase	2030
Carver	16.7	59.0	75.7	3.0	4.0	7.0
Chanhassen	1,646.0	41.0	1,687.0	172.0	3.0	175.0
Chaska	1,674.6	240.0	1,914.6	203.0	16.0	219.0
Cologne	48.4	13.0	61.4	24.0	1.0	25.0
Hamburg	33.6	-	33.6	8.0	-	8.0
Mayer	93.4	52.0	145.4	15.0	4.0	19.0
New Germany	35.6	-	35.6	8.0	-	8.0
Norwood-Young America	204.5	61.0	265.5	18.0	4.0	22.0
Victoria	88.8	-	88.8	21.0	-	21.0
Waconia	395.0	51.0	446.0	46.0	4.0	50.0
Watertown	228.4	26.0	254.4	48.0	2.0	50.0
Carver County Total	4,465.0	543.0	5,008.0	566.0	38.0	604.0

Source: Carver County and McComb Group, Ltd.

### Commercial Office

Commercial office space is estimated to increase from 1.2 million square feet to 3.6 million square feet, an increase of about 2.4 million square feet including contingency, as shown in Table vi. Commercial office buildings tend to be concentrated in the suburbs closest to Minneapolis. Also, older office warehouse and bulk warehouse buildings are being demolished and replaced by office space. This limits the potential for commercial office in Carver County. Chanhassen and Chaska are estimated to capture 1.4 million square feet and 503,000 square feet, respectively. The estimated 2.4 million square feet of commercial office space are estimated to require about 193 acres.

Table vi  
 CARVER COUNTY OFFICE SPACE AND LAND; 2006 AND 2030 ESTIMATED  
 BY CITY  
 (Thousands of Square Feet and Acres)

City	Square Feet			Acres		
	2006	Increase	2030	2006	Increase	2030
Carver	16.2	140.0	156.2	3.0	11.0	14.0
Chanhassen	739.4	1,434.0	2,173.4	92.0	115.0	207.0
Chaska	321.0	503.0	824.0	22.0	41.0	63.0
Cologne	-	-	-	-	-	-
Hamburg	-	-	-	-	-	-
Mayer	0.7	-	0.7	1.0	-	1.0
New Germany	-	-	-	-	-	-
Norwood-Young America	23.3	34.0	57.3	2.0	3.0	5.0
Victoria	2.9	46.0	48.9	1.0	4.0	5.0
Waconia	133.7	236.0	369.7	10.0	19.0	29.0
Watertown	3.9	-	3.9	1.0	-	1.0
Carver County Total	1,241.1	2,393.0	3,634.1	132.0	193.0	325.0

Source: Carver County and McComb Group, Ltd.

### Office Showroom

Office showroom is currently a very small category with only 240,000 square feet in 2006, all of which is located in Chanhassen, as shown in Table vii. Office showroom development has slowed in the Metropolitan Area resulting in a low overall growth rate for the Metropolitan Area. This affects the portion of space allocated to the southwest corridor and Carver County. Office showroom space is expected to increase by about 466,000 square feet, which would require about 33 acres of land.

Table vii  
 CARVER COUNTY OFFICE SHOWROOM SPACE AND LAND 2006 AND 2030 ESTIMATED  
 BY CITY  
 (Thousands of Square Feet and Acres)

City	Square Feet			Acres		
	2006	Increase	2030	2006	Increase	2030
Carver	-	9.0	9.0	-	1.0	1.0
Chanhassen	239.7	368.0	607.7	22.0	25.0	47.0
Chaska	-	50.0	50.0	-	3.0	3.0
Cologne	-	-	-	-	-	-
Hamburg	-	-	-	-	-	-
Mayer	-	-	-	-	-	-
New Germany	-	-	-	-	-	-
Norwood-Young America	-	7.0	7.0	-	1.0	1.0
Victoria	-	13.0	13.0	-	1.0	1.0
Waconia	-	19.0	19.0	-	2.0	2.0
Watertown	-	-	-	-	-	-
Carver County Total	239.7	466.0	705.7	22.0	33.0	55.0

Source: Carver County and McComb Group, Ltd.

These estimates of business park space are designed to provide each city with an estimate of land needed to support future business park development. Land utilization for individual development categories may vary from the estimates based on future demand. The estimates for individual categories that were compiled to create total space and land are contained in Table iii.

### **Smaller City Potential**

The primary focus of this report was to estimate growth in business park uses in Carver County communities. This analysis indicates that 95 percent of the growth is likely to occur in the cities of Carver, Chanhassen, Chaska, Norwood Young America, and Waconia. Two communities, Chanhassen and Chaska, are estimated to capture 80 percent of this growth.

Six other communities: Cologne, Hamburg, Mayer, New Germany, Victoria, and Watertown, are estimated to capture about five percent of the business park uses. These communities will also experience land demand for local businesses that could include service business, small manufacturers, welding shops, truck repair, contractor equipment, storage and repair, and other service type uses of an industrial nature. These businesses are often sole proprietorships that serve a local market and seek to attract business by offering services at low cost. As a result, inexpensive land and buildings are important to their success.

Recognizing that demand exists for these types of buildings, communities with limited business park potential should provide business park locations for these businesses. Depending on the community, this can be 5 to 20 acres for future business park development that could accommodate these uses in an orderly manner. Additional business park land allocations have been suggested for Cologne, Hamburg, Mayer, New Germany and Watertown.

### **Unincorporated Area Development**

It is also common for small businesses to seek locations outside an incorporated area where land and property taxes are lower. An example would be a business purchasing a couple acres for a building site from a farmer for a small business. These business owners often want to construct a steel building with few amenities and no hard service parking or storage areas. These uses often create challenges to planning officials when it comes to spot zoning and meeting minimum design standards. This type of development competes with business park land in cities.

### **Rail-Oriented Development Potential**

Carver County is served by two railroads: Twin Cities and Western Railroad, and The Minnesota Prairie Line Railroad (which is operated under the Twin Cities and Western). The Twin Cities and Western Railroad extends from Hopkins to Milbank, South Dakota. The line passes through Chanhassen, Chaska, Cologne and Norwood Young America. The Minnesota Prairie Line Railroad connects with the Twin Cities and Western Railroad at Norwood Young America and serves Hamburg, Winthrop, Redwood Falls and extends to Hanley Falls.

There are several rail transportation trends which could influence the demand for business property along the TH-212 corridor in the vicinity of Cologne and Norwood Young America.

1. The Class One Carriers (BNSF, UP, CN and CP) are all operating at capacity. In addition, their focus is to expand their unit train and container long haul business. Short line and regional railroads will continue to grow by serving local businesses that rely on rail to receive raw materials and/or shipping finished products.
2. Rail is particularly conducive to transporting large volume and heavy products. The cost of shipping these products per ton mile can vary from 20 to 80 percent of the cost of trucking depending upon the commodity, quantity and the point of origin.
3. Businesses are searching for ways to lower transportation costs increasing the demand for trans-loading from rail to truck. For example, bagged salt can be shipped to the Twin Cities by box car and then “trans-loaded” to trucks for local delivery.
4. Little or no land with rail access is available within the metro area to accommodate trans-loading facilities. Therefore, rail users will be forced to rural and semi-rural areas.

Different types of rail users have different location needs. Trans-loading bulk commodities can involve truck to rail, such as agricultural products or rail to truck trans-loading of commodities such as road salt, landscaping materials, utility poles, and cut lumber. These commodities are usually stored outside with minimum or no cover. Consequently, there are few jobs or significant real estate values and property taxes associated with these facilities. The county may want to accommodate these facilities and may wish to create zoning criteria and design standards. Other rail users, such as plastics, canning and agricultural processing, are more directly related to manufacturing. These uses require rail to receive raw materials and also to ship finished products. These uses are associated with significant building and equipment capital investment that results in well paying jobs and higher real estate taxes.

In order to avoid spot zoning, it may be appropriate to identify a specific location or locations in the county for rail-oriented uses and plan for and encourage development through zoning and installation of infrastructure. Demand for this type of development is difficult to identify because it depends on the active participation and marketing of the railroad. If the railroad is not interested in serving this market, it is unlikely to materialize. The potential for rail-oriented development can best be identified in cooperation with a railroad.

## INTRODUCTION

McComb Group, Ltd. was engaged by Carver County to conduct market analysis to determine the demand for industrial uses (commercial office, office showroom, office warehouse, and bulk warehouse) in Carver County from 2006 to 2030. Work tasks conducted during this engagement are summarized below.

- ◆ The study area consists of Carver County and its cities and townships. Existing and future potential industrial locations in each of Carver County's communities were identified and evaluated to determine their suitability for development. Carver County and/or each city provided information on industrial buildings size (square feet) for existing buildings.
- ◆ Comprehensive plans for communities in Carver County were evaluated to determine areas identified for industrial development.
- ◆ Market analysis was conducted to determine historic absorption for multi-tenant office, single tenant office, office warehouse, office showroom, bulk warehouse, and industrial uses in the southwest metro area. The portion of that absorption that has been captured within Carver County and its individual communities were quantified. Estimated future absorption for office, office warehouse, office showroom and bulk warehouse space was estimated for Carver County and eleven communities. Future absorption was analyzed by type of product and location criteria and compared with existing and potential development areas within Carver County.
- ◆ Potential industrial locations in Carver County were identified taking into consideration freeway networks and railroad access. The types of development suitable for each area were identified.
- ◆ The estimated future demand for industrial uses in Carver County was compared with the available supply of developable land and its location. Developable sites were evaluated for industrial use. Development areas were prioritized as their suitability for industrial development. The objective of this task was to compare estimated future absorption with land available for each type of development and estimate likely absorption for the potential uses.

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

### **Report Purpose**

This report was prepared in accordance with our proposal dated January 23, 2007. This report was prepared with the understanding that the results of our work will be used by the client to evaluate future Carver County industrial demand for the purpose of updating the Carver County

Comprehensive Plan through 2030. Our report was prepared for that purpose and is subject to the following qualifications:

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

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

## Chapter 1

### CARVER COUNTY BUSINESS PARK DEVELOPMENT POTENTIAL

Carver County's existing business park uses consist of office warehouse/industrial, bulk warehouse, commercial office, and office showroom buildings. These uses totaled over 10.7 million square feet in 2006, an increase of 6.8 million square feet over the past 20 years, as shown in Table 1-1. Office warehouse/industrial is the largest category with over 4.8 million square feet, representing 45 percent of all space. Bulk warehouse space ranks second with 4.4 million square feet or 41 percent. Office warehouse/industrial space is increasing at a faster rate than bulk warehouse. Commercial office was a relatively small category in 1986, but currently amounts to over 1.2 million square feet or 11.5 percent of the total. Office showroom is a small category.

Table 1-1

CARVER COUNTY BUSINESS PARK SPACE AND LAND 1986 TO 2006  
MULTI-TENANT AND SINGLE TENANT BY CITY  
(In Thousands of Square Feet)

Type	1986 Total	Increase				2006 Total	Land (acres)
		1986-91	1992-96	1997-01	2002-06		
Office Warehouse/Industrial	1,373.3	1,144.3	827.5	1,201.8	272.8	4,819.6	490.0
Bulk Warehouse	2,218.8	993.9	559.6	297.3	351.6	4,421.2	566.0
Commercial Office	282.9	435.2	82.9	121.5	314.4	1,236.9	132.0
Office Showroom	68.4	56.0	15.4	55.8	44.2	239.8	22.0
Total	3,943.5	2,629.4	1,485.3	1,676.4	982.9	10,717.5	1,210.0

Source: Carver County and McComb Group, Ltd.

The largest increase in space occurred between 1986 and 1991 when over 2.6 million square feet of space was constructed. During the period 1992 to 1996, construction of business park space declined by almost 50 percent, then rebounded slightly to about 1.7 million square feet in the 1997 to 2001 period. In the last five-year period, less than one million square feet of space has been added.

Office warehouse/industrial space occupies about 490 acres of land or 9,836 square feet per acre. Bulk warehouse buildings occupy 566 acres or about 7,811 square feet per acre. Commercial office buildings achieve slightly more density with an average of 9,370 square feet per acre. Office showroom averages about 10,900 square feet per acre. When land is cheap and/or buildings are small, sites are generally larger than are needed to support the use. This results in low land coverage and results in lower density. As land becomes more expensive, building coverage increases.

These tabulations of gross building area and land area are based on an extensive analysis of Carver County building records compiled by Carver County staff, and field surveys conducted by participating municipalities and McComb Group. This is probably the most comprehensive inventory of business park space that exists in any Minnesota county.

Future business park development potential in Carver County is based on historic space absorption by building type from 1986 to 2006. Space absorption in Carver County was compared to space absorbed in the southwest market area (Bloomington, Chanhassen, Chaska, Eden Prairie, Edina and Richfield as well as parts of Hopkins and Minnetonka) to determine Carver County absorption as a percent of the southwest area. Southwest area absorption as a percent of Metro Area absorption to determine future absorption Metro Area space growth for 2007 to 2030 is estimated on past growth trends. Historic southwest area market share is estimated followed by the share that Carver County is likely to capture. Each city's share of Carver County's growth is then estimated.

Metropolitan Area and southwest market area space absorption is based on space estimates compiled by Colliers Turley Martin Tucker, augmented by information from Carver County, CoStar Group, Inc., MnCAR, and McComb Group, Ltd. Colliers Turley Martin Tucker tracks only multi-tenant office warehouse buildings of over 25,000 square feet, bulk warehouse buildings over 50,000 square feet, commercial office buildings over 30,000 square feet and office showroom buildings over 25,000 square feet. Thus, single tenant and smaller buildings are not represented in the Metro and southwest area inventory. The Carver County database includes multi and single tenant buildings of all sizes. The analysis contained in this chapter first analyzes the absorption of multi-tenant buildings in Carver County as a percentage of multi-tenant buildings in the southwest corridor. A second analysis relates the amount of single tenant buildings to the inventory of multi-tenant buildings in the southwest corridor to determine a total absorption of multi-tenant, single tenant and small buildings in Carver County. Estimated Carver County space absorption estimates for 2007 to 2030 for office warehouse/industrial, bulk warehouse, commercial office and office showroom buildings are calculated in this chapter. Separate chapters of this report contain estimates for each city.

These baseline forecasts are based on absorption rates over a 20-year period and smooth out the peaks and valleys represented by business cycles. As a result, future absorption estimates increase steadily ignoring the impact of business cycle variations.

### **Office Warehouse/Industrial Demand**

The office warehouse/industrial category also includes office research, office manufacturing and other types of similar uses. Distribution of office warehouse/industrial space in Carver County by community is contained in Table 1-2. In 1986, single tenant buildings represented 88 percent of the space. By 2006, the proportion of multi-tenant space had increased and single tenant buildings represented only 78.9 percent of the space. Chaska has consistently had the largest amount of office warehouse/industrial space, followed by Chanhassen. Waconia ranks a distant third with 298,186 square feet in 2006, and Norwood Young America ranks fourth with 175,790 square feet. Office warehouse/industrial buildings occupy 490 acres with Chaska having 279 acres and Chanhassen 146 acres.

Table 1-2

CARVER COUNTY OFFICE WAREHOUSE/INDUSTRIAL SPACE AND LAND; 1986 TO 2006  
MULTI-TENANT AND SINGLE TENANT BY CITY  
(Square Feet and Acres)

City	1986 Total	Increase				2006 Total	Land (acres)
		1986-1991	1992-1996	1997-2001	2002-2006		
<b>Carver</b>							
Multi-Tenant	-	-	-	-	-	-	-
Single Tenant	12,124	8,305	-	-	-	20,429	4.0
Subtotal	12,124	8,305	-	-	-	20,429	4.0
<b>Chanhassen</b>							
Multi-Tenant	25,000	-	64,135	430,752	36,376	556,263	49.0
Single Tenant	20,280	71,764	62,695	547,435	73,664	775,838	97.0
Subtotal	45,280	71,764	126,830	978,187	110,040	1,332,101	146.0
<b>Chaska</b>							
Multi-Tenant	139,930	30,051	170,840	76,457	-	417,278	30.0
Single Tenant	906,443	872,150	521,635	41,032	77,680	2,418,940	249.0
Subtotal	1,046,373	902,201	692,475	117,489	77,680	2,836,218	279.0
<b>Cologne</b>							
Multi-Tenant	-	-	-	-	-	-	-
Single Tenant	59,772	11,040	-	2,400	-	73,212	5.0
Subtotal	59,772	11,040	-	2,400	-	73,212	5.0
<b>Hamburg</b>							
Multi-Tenant	-	-	-	-	-	-	-
Single Tenant	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-
<b>Mayer</b>							
Multi-Tenant	-	-	-	4,480	-	4,480	1.0
Single Tenant	-	-	-	47,520	15,440	62,960	8.0
Subtotal	-	-	-	52,000	15,440	67,440	9.0
<b>New Germany</b>							
Multi-Tenant	-	-	-	-	-	-	-
Single Tenant	6,380	-	-	-	1,728	8,108	12.0
Subtotal	6,380	-	-	-	1,728	8,108	12.0
<b>Norwood-Young America</b>							
Multi-Tenant	-	-	-	-	-	-	-
Single Tenant	81,460	79,830	-	-	14,500	175,790	11.0
Subtotal	81,460	79,830	-	-	14,500	175,790	11.0
<b>Victoria</b>							
Multi-Tenant	-	-	-	-	-	-	-
Single Tenant	4,576	-	-	-	-	4,576	1.0
Subtotal	4,576	-	-	-	-	4,576	1.0
<b>Waconia</b>							
Multi-Tenant	-	40,320	-	-	-	40,320	4.0
Single Tenant	113,782	30,828	8,160	51,720	53,376	257,866	18.0
Subtotal	113,782	71,148	8,160	51,720	53,376	298,186	22.0
<b>Watertown</b>							
Multi-Tenant	-	-	-	-	-	-	-
Single Tenant	3,584	-	-	-	-	3,584	1.0
Subtotal	3,584	-	-	-	-	3,584	1.0
<b>Carver County Total</b>							
Multi-Tenant	164,930	70,371	234,975	511,689	36,376	1,018,341	84.0
Single Tenant	1,208,401	1,073,917	592,490	690,107	236,388	3,801,303	406.0
Subtotal	1,373,331	1,144,288	827,465	1,201,796	272,764	4,819,644	490.0

Source: Carver County and McComb Group, Ltd.

Carver County office warehouse space absorption is shown in Table 1-3. Rentable area of multi-tenant office warehouse/industrial space in the Metropolitan Area increased from 14.8 million in 1991 to 53.7 million in 2006. This represents the increase in total space. Absorption is based on

the change in occupied space during each time period. Occupied space increased from 12.3 million in 1991 to 48.4 million in 2006, indicating overall absorption of about 36.1 million over the 15-year period. The total amount of Metropolitan Area office warehouse/industrial space for 1986 is not available.

In the southwest market area, occupied multi-tenant space increased from 2.7 million square feet in 1986 to 7.4 million square feet in 2006, indicating absorption of almost 4.7 million square feet. Net absorption as a percent of the Metro Area office warehouse space absorption can only be calculated for the period 1991 to 2006 when 2.7 million square feet of space was absorbed. This represented 7.6 percent of the Metropolitan Area multi-tenant space.

Table 1-3  
 CARVER COUNTY OFFICE WAREHOUSE/INDUSTRIAL SPACE ABSORPTION  
 BY FIVE-YEAR PERIOD  
 (In Thousands of Square Feet)

	1986	Increase				1986-06 Increase
		1991	1996	2001	2006	
<b>METRO AREA</b>						
Rentable Area	N/A	14,785.3	19,540.6	37,491.5	53,704.2	
Occupied Space	N/A	12,282.3	18,635.0	34,081.9	48,416.3	
Percent Vacant	N/A	16.9 %	4.6 %	9.1 %	9.8 %	
Net Absorption	N/A	N/A	6,352.7	15,446.9	14,334.4	36,134.0
<b>SOUTHWEST</b>						
Rental Area	3,171.6	5,496.4	5,302.6	6,775.2	8,516.1	
Occupied Space	2,725.8	4,672.2	5,042.9	6,243.4	7,400.5	
Percent Vacant	14.1 %	15.0 %	4.9 %	7.8 %	13.1 %	N/A
Net Absorption - 1991-2006			370.7	1,200.5	1,157.1	2,728.3 *
Net Absorption - 1986-2006		1,946.4	370.7	1,200.5	1,157.1	4,674.7
Percent of Metro Area*		N/A	5.8 %	7.8 %	8.1 %	7.6 %
<b>CARVER COUNTY</b>						
Rentable Area						
Multi-Tenant - GBA	164.9	235.3	470.3	982.0	1,018.3	
Net Absorption		70.4	235.0	511.7	36.3	853.4
Percent of Southwest		3.6 %	63.4 %	42.6 %	3.1 %	18.3 %
Single Tenant - GBA	1,208.4	2,092.3	2,684.7	3,374.9	3,611.2	
Net Absorption		883.9	592.4	690.2	236.3	2,402.8
Percent of Southwest		45.4 %	159.8 %	57.5 %	20.4 %	51.4 %
Total Net Absorption		954.3	827.4	1,201.9	272.6	3,256.2
Percent of Southwest		49.0 %	223.2 %	100.1 %	23.6 %	69.7 %

\* 15-year period 1991-2006.  
 Source: Carver County and McComb Group, Ltd.

The building inventory conducted in Carver County is based on gross building area, which is normally somewhat larger than rentable area. In this analysis, all of the Carver County space is assumed to be occupied, which may somewhat overstate the amount of absorption during each time period. Multi-tenant buildings of 164,900 square feet in 1986 represent all multi-tenant buildings including those of less than 30,000 square feet. Multi-tenant buildings increased to slightly more than one million square feet in 2006 with absorption of 853,400 square feet, representing 18.3 percent of southwest absorption of 4.7 million square feet. Single tenant gross building area totaled 1.2 million square feet in 1986 and increased to 3.6 million square feet in 2006, indicating absorption of about 2.4 million square feet or 51.4 percent of office warehouse absorption in the southwest market area. In total, multi-tenant and single tenant absorption was over 3.2 million square feet and represented 69.7 percent of the southwest corridor net

absorption. During the period 1997 to 2006, net absorption in Carver County was 62.5 percent of southwest corridor absorption. During the last five-year period, absorption declined to 24 percent of southwest market absorption.

Future office warehouse/industrial demand in Carver County is based on estimated market share from 2007 to 2030. For purposes of this analysis, Metro Area office warehouse/industrial space is expected to grow at a rate of five percent annually, as shown in Table 1-4.

Table 1-4  
 FUTURE OFFICE WAREHOUSE/INDUSTRIAL SPACE DEMAND; 2006 TO 2030  
 METRO AREA, SOUTHWEST SUBMARKET AND CARVER COUNTY  
 (In Thousands of Dollars)

Year	Metro Area		Southwest Submarket		Carver County		
	5% Cumulative	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Cumulative
2006	48,416						
2007	50,837	2,421	8.5 %	206	62.5 %	129	129
2008	53,379	2,542	8.5	216	62.5	135	264
2009	56,048	2,669	8.5	227	62.5	142	405
2010	58,850	2,802	8.5	238	62.5	149	554
2011	61,792	2,942	8.5	250	65.0	163	717
2012	64,882	3,090	8.5	263	65.0	171	888
2013	68,126	3,244	8.5	276	65.0	179	1,067
2014	71,532	3,406	8.5	290	65.0	188	1,255
2015	75,109	3,577	8.5	304	65.0	198	1,453
2016	78,865	3,755	8.5	319	67.5	215	1,668
2017	82,808	3,943	8.5	335	67.5	226	1,894
2018	86,948	4,140	8.5	352	67.5	238	2,132
2019	91,296	4,347	8.5	370	67.5	249	2,381
2020	95,860	4,565	8.5	388	67.5	262	2,643
2021	100,653	4,793	8.5	407	70.0	285	2,928
2022	105,686	5,033	8.5	428	70.0	299	3,228
2023	110,970	5,284	8.5	449	70.0	314	3,542
2024	116,519	5,549	8.5	472	70.0	330	3,872
2025	122,345	5,826	8.5	495	70.0	347	4,219
2026	128,462	6,117	8.5	520	72.5	377	4,596
2027	134,885	6,423	8.5	546	72.5	396	4,992
2028	141,629	6,744	8.5	573	72.5	416	5,407
2029	148,711	7,081	8.5	602	72.5	436	5,844
2030	156,146	7,436	8.5	632	72.5	458	6,302

Source: McComb Group, Ltd.

Based on past performance, the southwest growth corridor is estimated to capture 8.5 percent of Metropolitan Area increase in office warehouse/industrial space. Over the past 10 years, Carver County has absorbed about 62.5 percent of the southwest area office warehouse/industrial development. Carver County's share of the southwest growth corridor absorption is estimated at 62.5 percent for the period 2007 to 2010, increasing to 65 percent for 2011 to 2015, 67.5 percent for 2016 to 2020, 70 percent to 2021 to 2025, and 72.5 percent from 2026 to 2030. These market share rates include both multi-tenant and single tenant buildings as well as buildings less than 30,000 square feet. Carver County's market share is expected to increase over time as currently vacant land in other parts of the southwest growth corridor are developed or land becomes too expensive. Also, completion of new TH-212 is expected to enhance the desirability of

developing in Carver County communities with convenient access to TH-212. Annual baseline absorption increases from 129,000 square feet in 2007 to 458,000 square feet in 2030. Total office warehouse/industrial space absorption is estimated at 6,302,000 square feet by 2030.

## Bulk Warehouse Demand

Distribution of bulk warehouse space in Carver County by community is contained in Table 1-5, on the next page. In 1986, multi-tenant buildings represented nine percent of the space. In 2006, multi-tenant space was about the same at ten percent. In 1986, Chanhassen and Chaska had about the same amount of bulk warehouse space, 821,000 and 819,000 square feet, respectively. Over the past 20 years, both Chaska and Chanhassen added over 800,000 square feet of bulk warehouse space. In 2006, Chaska had taken a slight lead in bulk warehouse space, but both cities had over 1.6 million square feet. Waconia ranked third with over 394,000 square feet and Watertown was fourth at 228,000 square feet. Bulk warehouse buildings occupy 566 acres in Carver County with Chaska having 203 acres and Chanhassen 172 acres.

Carver County bulk warehouse space absorption is shown in Table 1-6. Rentable area of bulk warehouse space in the Metropolitan Area increased from 8.9 million in 1991 to 18.1 million in 2006. This represents the increase in total space. Absorption is based on the change in occupied space during each time period. Occupied space increased from 7.2 million in 1991 to 15.0 million in 2006, indicating overall absorption of about 7.7 million over the 15-year period. The total amount of Metropolitan Area bulk warehouse space for 1986 is not available.

Table 1-6  
CARVER COUNTY BULK WAREHOUSE BUILDINGS  
SPACE BY FIVE-YEAR PERIOD  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1991-06 Increase
<b>METRO AREA</b>						
Rentable Area	N/A	8,872.9	10,827.1	18,668.7	18,147.5	
Occupied Space	N/A	7,246.4	10,356.2	16,038.7	14,985.1	
Percent Vacant	N/A %	18.3 %	4.3 %	14.1 %	17.4 %	
Net Absorption	N/A	N/A	3,109.8	5,682.5	(1,053.6)	7,738.7
<b>SOUTHWEST</b>						
Rental Area	492.9	1,635.9	1,424.5	1,810.1	2,926.9	
Occupied Space	492.9	1,620.9	1,405.5	1,642.0	2,189.1	
Percent Vacant	- %	0.9 %	1.3 %	9.3 %	25.2 %	N/A
Net Absorption - 1991-2006			(215.4)	236.5	547.1	568.2 *
Net Absorption - 1986-2006		1,128.0	(215.4)	236.5	547.1	1,696.2
Percent of Metro Area		N/A %	N/A %	4.2 %	N/A %	7.3 %*
<b>CARVER COUNTY</b>						
Multi-Tenant - GBA	200.7	332.1	349.3	353.3	431.6	
Net Absorption - GBA		131.4	17.2	4.0	78.3	230.9
Percent of Southwest		11.6 %	N/A %	1.7 %	14.3 %	13.6 %
Single Tenant	2,018.2	2,880.6	3,423.0	3,716.3	3,989.6	
Net Absorption		862.4	542.4	293.3	273.3	1,971.4
Percent of Southwest		76.5 %	N/A %	124.0 %	50.0 %	116.2 %
Total Net Absorption		993.8	559.6	297.3	351.6	2,202.3
Percent of Southwest		88.1 %	N/A %	125.7 %	64.3 %	129.8 %

\* 15-year period 1991 to 2006.  
Source: Carver County and McComb Group, Ltd.

Table 1-5

CARVER COUNTY BULK WAREHOUSE SPACE AND LAND; 1986 TO 2006  
MULTI-TENANT AND SINGLE TENANT BY CITY  
(Square Feet and Acres)

City	1986 Total	Increase				2006 Total	Land (acres)
		86-91	92-96	97-01	02-06		
<b>Carver</b>							
Multi-Tenant	16,720	-	-	-	-	16,720	3.0
Single Tenant	-	-	-	-	-	-	-
Subtotal	16,720	-	-	-	-	16,720	3.0
<b>Chanhassen</b>							
Multi-Tenant	35,784	81,686	-	-	48,042	165,512	15.0
Single Tenant	785,452	490,704	6,640	8,355	189,269	1,480,420	157.0
Subtotal	821,236	572,390	6,640	8,355	237,311	1,645,932	172.0
<b>Chaska</b>							
Multi-Tenant	58,664	33,781	-	-	-	92,445	10.0
Single Tenant	760,294	318,731	370,983	132,075	-	1,582,083	193.0
Subtotal	818,958	352,512	370,983	132,075	-	1,674,528	203.0
<b>Cologne</b>							
Multi-Tenant	-	-	-	-	-	-	-
Single Tenant	27,266	-	7,980	7,656	5,400	48,302	24.0
Subtotal	27,266	-	7,980	7,656	5,400	48,302	24.0
<b>Hamburg</b>							
Multi-Tenant	-	-	-	-	-	-	-
Single Tenant	29,212	-	-	4,360	-	33,572	8.0
Subtotal	29,212	-	-	4,360	-	33,572	8.0
<b>Mayer</b>							
Multi-Tenant	-	-	-	-	30,210	30,210	1.0
Single Tenant	6,084	-	-	57,120	-	63,204	14.0
Subtotal	6,084	-	-	57,120	30,210	93,414	15.0
<b>New Germany</b>							
Multi-Tenant	-	-	-	-	-	-	-
Single Tenant	35,560	-	-	-	-	35,560	8.0
Subtotal	35,560	-	-	-	-	35,560	8.0
<b>Norwood-Young America</b>							
Multi-Tenant	-	-	-	-	-	-	-
Single Tenant	30,232	49,002	36,087	-	45,660	160,981	18.0
Subtotal	30,232	49,002	36,087	-	45,660	160,981	18.0
<b>Victoria</b>							
Multi-Tenant	2,322	15,960	-	-	-	18,282	14.0
Single Tenant	51,178	-	-	19,348	-	70,526	7.0
Subtotal	53,500	15,960	-	19,348	-	88,808	21.0
<b>Waconia</b>							
Multi-Tenant	-	-	17,200	-	-	17,200	3.0
Single Tenant	226,884	4,000	98,688	15,184	33,000	377,756	43.0
Subtotal	226,884	4,000	115,888	15,184	33,000	394,956	46.0
<b>Watertown</b>							
Multi-Tenant	87,180	-	-	4,000	-	91,180	22.0
Single Tenant	66,004	-	22,000	49,203	-	137,207	26.0
Subtotal	153,184	-	22,000	53,203	-	228,387	48.0
<b>Carver County Total</b>							
Multi-Tenant	200,670	131,427	17,200	4,000	78,252	431,549	68.0
Single Tenant	2,018,166	862,437	542,378	293,301	273,329	3,989,611	498.0
Subtotal	2,218,836	993,864	559,578	297,301	351,581	4,421,160	566.0

Source: Carver County and McComb Group, Ltd.

In the southwest market area, occupied space increased from 493,000 square feet in 1986 to 2.2 million square feet in 2006, indicating absorption of almost 1.7 million square feet. Net absorption as a percent of the Metro Area bulk warehouse space absorption can only be

calculated for the period 1991 to 2006 when 568,000 square feet of space was absorbed. This represented 7.3 percent of the Metropolitan Area bulk warehouse.

The building inventory conducted in Carver County is based on gross building area, which is normally somewhat larger than rentable area. In this analysis, all of the Carver County space is assumed to be occupied, which may somewhat overstate the amount of absorption during each time period. Multi-tenant buildings of 200,700 square feet in 1986 represent all multi-tenant buildings including those of less than 50,000 square feet. Multi-tenant buildings square footage doubled by 2006 to 431,600 square feet with absorption of 230,900 square feet, representing 13.6 percent of southwest absorption of 1.7 million square feet. Single tenant gross building area totaled 2.0 million square feet in 1986 and doubled to 4.0 million square feet in 2006, indicating absorption of about 2.0 million square feet or 116.2 percent of multi-tenant bulk warehouse absorption in the southwest market area. In total, multi-tenant and single tenant absorption was over 2.2 million square feet. Total space, multi-tenant and single tenant, exceeds absorption of southwest area multi-tenant space, resulting in absorption of 129 percent.

Future bulk warehouse demand in Carver County is based on estimated market share from 2007 to 2030. For purposes of this analysis, Metro Area bulk warehouse space is expected to grow at a rate of 3.5 percent annually, as shown in Table 1-7.

Table 1-7  
 FUTURE BULK WAREHOUSE SPACE DEMAND; 2006 TO 2030  
 METRO AREA, SOUTHWEST SUBMARKET AND CARVER COUNTY  
 (In Thousands of Square Feet)

Year	Metro Area		Southwest Submarket		Carver County		
	3.5% Cumulative	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Cumulative
2006	14,985						
2007	15,509	524	7.0 %	37	37.0 %	14	14
2008	16,052	543	7.0	38	37.0	14	28
2009	16,614	562	7.0	39	37.0	15	42
2010	17,196	581	7.0	41	37.0	15	57
2011	17,797	602	6.5	39	37.0	14	72
2012	18,420	623	6.5	40	37.0	15	87
2013	19,065	645	6.5	42	37.0	16	102
2014	19,732	667	6.5	43	37.0	16	118
2015	20,423	691	6.5	45	37.0	17	135
2016	21,138	715	6.0	43	37.0	16	151
2017	21,878	740	6.0	44	37.0	16	167
2018	22,643	766	6.0	46	37.0	17	184
2019	23,436	793	6.0	48	37.0	18	202
2020	24,256	820	6.0	49	37.0	18	220
2021	25,105	849	5.5	47	37.0	17	237
2022	25,984	879	5.5	48	37.0	18	255
2023	26,893	909	5.5	50	37.0	19	274
2024	27,834	941	5.5	52	37.0	19	293
2025	28,809	974	5.5	54	37.0	20	313
2026	29,817	1,008	5.0	50	37.0	19	331
2027	30,861	1,044	5.0	52	37.0	19	351
2028	31,941	1,080	5.0	54	37.0	20	371
2029	33,059	1,118	5.0	56	37.0	21	391
2030	34,216	1,157	5.0	58	37.0	21	413

Source: McComb Group, Ltd.

Based on past performance, the southwest growth corridor is estimated to capture a decreasing percentage of the Metropolitan Area increase in bulk warehouse space starting at 7.0 percent in

2007 and decreasing to 5.0 percent by 2026. Over the past 10 years, Carver County has absorbed about 37.0 percent of the southwest area bulk warehouse development. Carver County's share of the southwest growth corridor absorption is estimated at 37.0 percent for the period 2007 to 2030. These market share rates include both multi-tenant and single tenant buildings as well as buildings less than 50,000 square feet. Bulk warehouse absorption has slowed in Carver County as well as the metro area. This results in a modest estimated future absorption. Annual baseline absorption increases from 14,000 square feet in 2007 to 21,000 square feet in 2030. Total bulk warehouse space absorption is estimated at 413,000 square feet by 2030.

## Commercial Office Demand

Distribution of commercial office space in Carver County by community is contained in Table 1-8 on the next page. In 1986, multi-tenant buildings represented 62 percent of the space. By 2006, the proportion of multi-tenant space had decreased to 37 percent of the space. Chaska had the largest amount of commercial office space in 1986. Chanhassen added over 400,000 square feet between 1986 and 1991. This increase moved Chanhassen to the number one position within Carver County with 740,000 square feet of commercial office space in 2006, followed by Chaska with 321,000 square feet. Waconia ranks a distant third with 134,000 square feet. Commercial office buildings occupy 132 acres with Chanhassen having 92 acres and Chaska 22 acres.

Carver County commercial office space absorption is shown in Table 1-9. Rentable area of commercial office space in the Metropolitan Area increased from 37.2 million in 1986 to 67.1 million in 2006. This represents the increase in total space. Absorption is based on the change in occupied space during each time period. Occupied space increased from 30.5 million in 1986 to 55.8 million in 2006, indicating overall absorption of about 25.3 million over the 20-year period.

Table 1-9  
CARVER COUNTY COMMERCIAL OFFICE BUILDINGS  
SPACE BY FIVE-YEAR PERIOD  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1986-06 Increase
<b>METRO AREA</b>						
Rentable Area	37,219.8	49,953.9	51,100.0	63,026.6	67,139.3	
Occupied Space	30,476.5	40,178.4	46,153.1	55,760.4	55,800.5	
Percent Vacant	18.1 %	19.6 %	9.7 %	11.5 %	16.9 %	
Net Absorption		9,701.9	5,974.7	9,607.3	40.1	25,324.0
<b>SOUTHWEST</b>						
Rental Area	10,090.0	12,185.6	12,305.0	14,637.1	14,548.2	
Occupied Space	7,794.0	9,505.5	11,699.1	12,808.5	12,712.5	
Percent Vacant	22.8 %	22.0 %	4.9 %	12.5 %	12.6 %	N/A
Net Absorption		1,711.5	2,193.6	1,109.4	(96.0)	4,918.5
Percent of Metro Area		17.6 %	36.7 %	11.5 %	N/A %	19.4 %
<b>CARVER COUNTY</b>						
Multi-Tenant - GBA	176.6	252.8	270.7	324.7	453.7	
Net Absorption - GBA		76.2	17.9	54.0	129.0	277.1
Percent of Southwest		4.5 %	0.8 %	4.9 %	N/A %	5.6 %
Single Tenant	106.3	465.4	530.3	597.8	580.0	
Net Absorption		359.1	64.9	67.5	(17.8)	473.7
Percent of Southwest		21.0 %	3.0 %	6.1 %	N/A %	9.6 %
Total Net Absorption		435.27	82.80	121.50	111.20	750.8
Percent of Southwest		25.4 %	3.8 %	11.0 %	N/A %	15.3 %

Source: Carver County and McComb Group, Ltd.

Table 1-8  
 CARVER COUNTY COMMERCIAL OFFICE SPACE AND LAND; 1986 TO 2006  
 MULTI-TENANT AND SINGLE TENANT BY CITY  
 (Square Feet and Acres)

City	1986	Increase				2006	Land (acres)
	Total	86-91	92-96	97-01	02-06	Total	
<b>Carver</b>							
Multi-Tenant	13,578	-	-	-	-	13,578	2.0
Single Tenant	2,608	-	-	-	-	2,608	1.0
Subtotal	16,186	-	-	-	-	16,186	3.0
<b>Chanhassen</b>							
Multi-Tenant	32,000	53,428	17,919	16,421	87,009	206,777	25.0
Single Tenant	-	347,600	-	26,253	158,833	532,686	67.0
Subtotal	32,000	401,028	17,919	42,674	245,842	739,463	92.0
<b>Chaska</b>							
Multi-Tenant	113,344	11,144	-	37,615	26,508	188,611	8.0
Single Tenant	70,371	-	35,510	-	26,554	132,435	14.0
Subtotal	183,715	11,144	35,510	37,615	53,062	321,046	22.0
<b>Cologne</b>							
Multi-Tenant	-	-	-	-	-	-	-
Single Tenant	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-
<b>Hamburg</b>							
Multi-Tenant	-	-	-	-	-	-	-
Single Tenant	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-
<b>Mayer</b>							
Multi-Tenant	-	-	-	-	-	-	-
Single Tenant	660	-	-	-	-	660	1.0
Subtotal	660	-	-	-	-	660	1.0
<b>New Germany</b>							
Multi-Tenant	-	-	-	-	-	-	-
Single Tenant	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-
<b>Norwood-Young America</b>							
Multi-Tenant	7,216	-	-	-	-	7,216	1.0
Single Tenant	1,860	10,000	-	-	-	11,860	1.0
Subtotal	9,076	10,000	-	-	-	19,076	2.0
<b>Victoria</b>							
Multi-Tenant	2,880	-	-	-	-	2,880	1.0
Single Tenant	-	-	-	-	-	-	-
Subtotal	2,880	-	-	-	-	2,880	1.0
<b>Waconia</b>							
Multi-Tenant	7,599	11,580	-	-	15,468	34,647	2.0
Single Tenant	26,910	1,456	29,440	41,200	-	99,006	8.0
Subtotal	34,509	13,036	29,440	41,200	15,468	133,653	10.0
<b>Watertown</b>							
Multi-Tenant	-	-	-	-	-	-	-
Single Tenant	3,900	-	-	-	-	3,900	1.0
Subtotal	3,900	-	-	-	-	3,900	1.0
<b>Carver County Total</b>							
Multi-Tenant	176,617	76,152	17,919	54,036	128,985	453,709	39.0
Single Tenant	106,309	359,056	64,950	67,453	185,387	783,155	93.0
Subtotal	282,926	435,208	82,869	121,489	314,372	1,236,864	132.0

Source: Carver County and McComb Group, Ltd.

In the southwest market area, occupied space increased from 7.8 million square feet in 1986 to 12.7 million square feet in 2006, indicating absorption of almost 4.9 million square feet. Net absorption as a percent of the Metro Area commercial office space absorption was 19.4 percent for the period 1986 to 2006.

Carver County has experienced the largest increase in commercial office space square footage in the single tenant category. In 1986, there was 106,300 square feet of single tenant commercial office space, which increased to 580,000 square feet by 2006. This represents a net absorption of 473,700 square feet or 9.6 percent of the southwest growth corridor net absorption from 1986 to 2006. Multi-tenant commercial office space increased from 176,600 square feet in 1986 to 453,700 square feet in 2006, representing a net absorption of 277,100 square feet or 5.6 percent of the southwest growth corridor net absorption for 1986 to 2006. In total, Carver County's net absorption of commercial office space from 1986 to 2006 was 750,800 square feet or 15.3 percent of the southwest growth corridor commercial office absorption. The building inventory conducted in Carver County is based on gross building area, which is normally somewhat larger than rentable area. In this analysis, all of the Carver County space is assumed to be occupied, which may somewhat overstate the amount of absorption during each time period. Square footage totals represent all buildings, including those of less than 30,000 square feet.

Future commercial office demand in Carver County is based on estimated market share from 2007 to 2030. For purposes of this analysis, Metro Area commercial office space is expected to grow at a rate of three percent annually, as shown in Table 1-10.

Table 1-10  
FUTURE COMMERCIAL OFFICE SPACE DEMAND; 2006 TO 2030  
METRO AREA, SOUTHWEST SUBMARKET AND CARVER COUNTY  
(In Thousands of Square Feet)

Year	Metro Area		Southwest Submarket		Carver County		
	3% Cumulative	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Cumulative
2006	55,800						
2007	57,474	1,674	20.0 %	335	10.0 %	33	33
2008	59,198	1,724	20.0	345	10.0	34	68
2009	60,974	1,776	20.0	355	10.0	36	103
2010	62,803	1,829	20.0	366	10.0	37	140
2011	64,687	1,884	20.0	377	12.5	47	187
2012	66,628	1,941	20.0	388	12.5	49	236
2013	68,627	1,999	20.0	400	12.5	50	286
2014	70,686	2,059	20.0	412	12.5	51	337
2015	72,806	2,121	20.0	424	12.5	53	390
2016	74,991	2,184	20.0	437	15.0	66	456
2017	77,240	2,250	20.0	450	15.0	67	523
2018	79,557	2,317	20.0	463	15.0	70	593
2019	81,944	2,387	20.0	477	15.0	72	664
2020	84,403	2,458	20.0	492	15.0	74	738
2021	86,935	2,532	20.0	506	17.5	89	827
2022	89,543	2,608	20.0	522	17.5	91	918
2023	92,229	2,686	20.0	537	17.5	94	1,012
2024	94,996	2,767	20.0	553	17.5	97	1,109
2025	97,846	2,850	20.0	570	17.5	100	1,209
2026	100,781	2,935	20.0	587	20.0	117	1,326
2027	103,804	3,023	20.0	605	20.0	121	1,447
2028	106,919	3,114	20.0	623	20.0	125	1,571
2029	110,126	3,208	20.0	642	20.0	128	1,700
2030	113,430	3,304	20.0	661	20.0	132	1,832

Source: McComb Group, Ltd.

Based on past performance, the southwest growth corridor is estimated to capture 20 percent of Metropolitan Area increase in commercial office space. Over the past 20 years, Carver County has absorbed about 15 percent of the southwest area commercial office development; however, absorption has slowed since the 1986 to 1991 period. Carver County's share of the southwest growth corridor absorption is estimated at 10.0 percent for the period 2007 to 2010, increasing to 12.5 percent for 2011 to 2015, 15.0 percent for 2016 to 2020, 17.5 percent from 2021 to 2025, and 20.0 percent from 2026 to 2030. These market share rates include both multi-tenant and single tenant buildings as well as buildings less than 30,000 square feet. Carver County's market share is expected to increase over time as currently vacant land in other parts of the southwest growth corridor is developed. Also, completion of new TH-212 is expected to enhance the desirability of developing in Carver County communities with convenient access to TH-212. Annual baseline absorption increases from 33,000 square feet in 2007 to 132,000 square feet in 2030. Total commercial office space absorption is estimated at 1,832,000 square feet by 2030.

### Office Showroom Demand

The office showroom category is the smallest category in Carver County. This type of space has only been developed in Chanhassen, which is shown in Table 1-11. In 1986, multi-tenant buildings represented all of the office showroom space. The first single tenant office showroom space for Chanhassen was developed between 1992 and 1996. By 2006, the proportion of multi-tenant space had increased and represented 94 percent of Chanhassen's office showroom space; while single tenant buildings represented only six percent of the space. Office showroom buildings occupy 22 acres in Chanhassen.

Table 1-11  
 CARVER COUNTY OFFICE SHOWROOM SPACE AND LAND; 1986 TO 2006  
 MULTI-TENANT AND SINGLE TENANT BY CITY  
 (Square Feet and Acres)

City	1986	Increase				2006	Land
	Total	86-91	92-96	97-01	02-06	Total	(acres)
Chanhassen							
Multi-Tenant	68,416	56,000	-	55,845	44,160	224,421	19.0
Single Tenant	-	-	15,372	-	-	15,372	3.0
Subtotal	68,416	56,000	15,372	55,845	44,160	239,793	22.0
Carver County Total							
Multi-Tenant	68,416	56,000	-	55,845	44,160	224,421	19.0
Single Tenant	-	-	15,372	-	-	15,372	3.0
Subtotal	68,416	56,000	15,372	55,845	44,160	239,793	22.0

Source: Carver County and McComb Group, Ltd.

Carver County office showroom space absorption is shown in Table 1-12. Occupied office showroom space in the Metropolitan Area increased from 7.0 million in 1986 to 17.1 million in 2006, indicating overall absorption of about 10.1 million over the 20-year period.

In the southwest market area, occupied space increased from over 2.8 million square feet in 1986 to 5.3 million square feet in 2006, indicating absorption of almost 2.5 million square feet. Southwest growth corridor net absorption as a percent of the Metro Area office showroom space absorption was 24.7 percent.

Table 1-12  
**CARVER COUNTY OFFICE SHOWROOM BUILDINGS**  
**SPACE BY FIVE-YEAR PERIOD**  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1986-06 Increase
<b>METRO AREA</b>						
Rentable Area	9,377.7	14,329.4	15,362.8	17,799.4	18,213.8	
Occupied Space	6,975.4	12,050.1	14,502.5	15,996.2	17,074.3	
Percent Vacant	25.6 %	15.9 %	5.6 %	10.1 %	6.3 %	
Net Absorption		5,074.7	2,452.4	1,493.7	1,078.1	10,098.9
<b>SOUTHWEST</b>						
Rental Area	3,963.0	5,575.1	5,695.1	6,072.1	6,210.5	
Occupied Space	2,850.7	4,824.5	5,497.4	5,269.7	5,348.0	
Percent Vacant	28.1 %	13.5 %	3.5 %	13.2 %	13.9 %	N/A
Net Absorption		1,973.8	672.9	(227.7)	78.3	2,497.3
Percent of Metro Area		38.9 %	27.4 %	N/A %	7.3 %	24.7 %
<b>CARVER COUNTY</b>						
Multi-Tenant - GBA	68.4	124.4	124.4	180.3	224.4	
Net Absorption - GBA		56.0	-	55.9	44.1	156.0
Percent of Southwest		2.8 %	- %	N/A %	56.3 %	6.2 %
Single Tenant			15.3	15.3	15.3	
Net Absorption			15.3	-	-	15.3
Percent of Southwest		- %	2.3 %	- %	- %	0.6 %
Total Net Absorption		56.0	15.3	55.9	44.1	171.3
Percent of Southwest		2.8 %	2.3 %	N/A %	56.3 %	6.9 %

Source: Carver County and McComb Group, Ltd.

The building inventory conducted in Carver County is based on gross building area, which is normally somewhat larger than rentable area. In this analysis, all of the Carver County space is assumed to be occupied, which may somewhat overstate the amount of absorption during each time period. Multi-tenant buildings of 68,400 square feet in 1986 represent all multi-tenant buildings including those of less than 25,000 square feet. Multi-tenant buildings increased to slightly more than 224,000 square feet in 2006 with absorption of 156,000 square feet, representing 6.2 percent of southwest absorption of 2.5 million square feet. Single tenant gross building area totaled 15,300 square feet in 1996 and did not increase between 1996 and 2006, indicating absorption of about 15,300 square feet or less than one percent of office showroom absorption in the southwest market area. In total, multi-tenant and single tenant absorption was over 171,000 square feet and represented 6.9 percent of the southwest corridor net absorption.

Future office showroom demand in Carver County is based on estimated market share from 2007 to 2030. For purposes of this analysis, Metro Area office showroom space is expected to grow at a rate of two percent annually, as shown in Table 1-13.

Table 1-13

FUTURE OFFICE SHOWROOM SPACE DEMAND; 2006 TO 2030  
METRO AREA, SOUTHWEST SUBMARKET AND CARVER COUNTY  
(In Thousands of Square Feet)

Year	Metro Area		Southwest Submarket		Carver County		
	2% Cumulative	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Cumulative
2006	17,074						
2007	17,415	341	25.0 %	85	7.0 %	6	6
2008	17,764	348	25.0	87	7.0	6	12
2009	18,119	355	25.0	89	7.0	6	18
2010	18,481	362	25.0	91	10.0	9	27
2011	18,851	370	25.0	92	10.0	9	37
2012	19,228	377	25.0	94	10.0	9	46
2013	19,613	385	25.0	96	10.0	10	56
2014	20,005	392	25.0	98	10.0	10	65
2015	20,405	400	25.0	100	10.0	10	75
2016	20,813	408	25.0	102	12.5	13	88
2017	21,229	416	25.0	104	12.5	13	101
2018	21,654	425	25.0	106	12.5	13	114
2019	22,087	433	25.0	108	12.5	14	128
2020	22,529	442	25.0	110	12.5	14	142
2021	22,979	451	25.0	113	15.0	17	159
2022	23,439	460	25.0	115	15.0	17	176
2023	23,908	469	25.0	117	15.0	18	194
2024	24,386	478	25.0	120	15.0	18	211
2025	24,874	488	25.0	122	15.0	18	230
2026	25,371	497	25.0	124	20.0	25	255
2027	25,878	507	25.0	127	20.0	25	280
2028	26,396	518	25.0	129	20.0	26	306
2029	26,924	528	25.0	132	20.0	26	332
2030	27,462	538	25.0	135	20.0	27	359

Source: McComb Group, Ltd.

Currently, Chanhassen is the only Carver County community with office showroom space, however, it is estimated that Carver County could capture future demand. The southwest growth corridor is estimated to capture 25.0 percent of Metropolitan Area increase in office showroom space, with Carver County capturing an increasing share of this growth. Carver County's share of the southwest growth corridor absorption is estimated at 7.0 percent for the period 2007 to 2009, increasing to 10.0 percent for 2010 to 2015, 12.5 percent for 2016 to 2020, 15.0 percent from 2021 to 2025, and 20.0 percent from 2026 to 2030. These market share rates include both multi-tenant and single tenant buildings as well as buildings less than 25,000 square feet. Carver County's market share is expected to increase over time as currently vacant land in other parts of the southwest growth corridor is developed. Office showroom buildings are generally located with good visibility on highly traveled streets or highways. Annual baseline absorption increases from 6,000 square feet in 2007 to 27,000 square feet in 2030. Total office showroom space absorption is estimated at 359,000 square feet by 2030.

## Chapter 2

### CARVER BUSINESS PARK DEVELOPMENT POTENTIAL

Future business park development potential in Carver will be related to growth in the Metropolitan Area and the portion that is likely to be captured in Carver County. Carver can be expected to capture a portion of the Carver County growth. This chapter addresses the demand for office warehouse/industrial, commercial office, office showroom, and bulk warehouse space. These categories include both single tenant buildings and multi-tenant developments, and are the building types that generally locate in suburban business parks. Actual demand will depend on suitable available land, marketing incentives, and developer or tenant interest.

#### Existing Business Park Development

Carver's existing business park uses consist of office warehouse/industrial, commercial office and bulk warehouse buildings, and total over 53,000 square feet and occupy ten acres. Office warehouse/industrial is the largest category with over 20,000 square feet of gross leasable area, as shown in Table 2-1. Carver presently has no office showroom space.

Table 2-1

CARVER BUSINESS PARK AND LAND; 1986 TO 2006  
MULTI-TENANT AND SINGLE TENANT BUILDINGS  
(Square Feet and Acres)

Category	Pre-1986 Sq. Feet	Increase				Gross Building Area	Land (acres)
		1986-1991 Sq. Feet	1992-1996 Sq. Feet	1997-2001 Sq. Feet	2002-2006 Sq. Feet		
<b>Commercial Office</b>							
Multi-Tenant	13,578	-	-	-	-	13,578	2.0
Single Tenant	2,608	-	-	-	-	2,608	1.0
Subtotal	16,186	-	-	-	-	16,186	3.0
<b>Office Warehouse/Industrial</b>							
Multi-Tenant	-	-	-	-	-	-	-
Single Tenant	12,124	8,305	-	-	-	20,429	4.0
Subtotal	12,124	8,305	-	-	-	20,429	4.0
<b>Bulk Warehouse</b>							
Multi-Tenant	16,720	-	-	-	-	16,720	3.0
Single Tenant	-	-	-	-	-	-	-
Subtotal	16,720	-	-	-	-	16,720	3.0
<b>Total</b>	45,030	8,305	-	-	-	53,335	10.0

Source: Carver County and McComb Group, Ltd.

## Office Warehouse/Industrial Demand

The office warehouse/industrial category also includes office research, office manufacturing, and other types of similar uses. Carver's office warehouse/industrial absorption for the period 1986 to 2006 is contained in Table 2-2. Office warehouse/industrial buildings totaled over 20,400 square feet in 2006, increasing from 12,100 square feet in 1986. In total, Carver had a net absorption of 8,300 square feet of office warehouse/industrial space between 1986 and 2006, which represented less than 1.0 percent of Carver County's net absorption for the same time period.

Table 2-2  
 CARVER OFFICE WAREHOUSE/INDUSTRIAL BUILDINGS  
 GROSS BUILDING AREA BY FIVE-YEAR PERIOD  
 (In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1986-2006 Increase
<b>CARVER COUNTY</b>						
Total Space	1,373.3	2,327.6	3,155.0	4,356.9	4,629.5	
Total Net Absorption		954.3	827.4	1,201.9	272.6	3,256.2
<b>CARVER</b>						
Total Space	12.1	20.4	20.4	20.4	20.4	
Net Absorption		8.3	-	-	-	8.3
Percent of Carver		0.9 %	- %	- %	- %	0.3 %

Source: Carver County and McComb Group, Ltd.

Future office warehouse/industrial demand in Carver is based on estimated market share from 2007 to 2030. For purposes of this analysis, Metro Area office warehouse/industrial space is expected to grow at a rate of five percent annually, as shown in Table 2-3. Based on past performance, southwest growth corridor is estimated to capture 8.5 percent of the Metropolitan Area increase in office warehouse/industrial space. Over the past 20 years, Carver County has absorbed about 70 percent of the Metro Area office warehouse/industrial development. During the latest five-year period, absorption declined to 24 percent. Carver County's share of the southwest growth corridor absorption is estimated at 62.5 percent for the period 2007 to 2010, increasing to 65 percent for 2011 to 2015, 67.5 percent for 2016 to 2020, 70 percent for 2021 to 2025, and 72.5 percent from 2026 to 2030.

Carver's market share is estimated at 2.5 percent of Carver County's growth beginning in 2012 and increasing to 4.5 percent in 2027. The increase in office warehouse/industrial demand for Carver over the next 25 years is estimated at over 256,000 square feet, including a 25 percent contingency of 51,000 square feet.

Table 2-3

FUTURE OFFICE WAREHOUSE/INDUSTRIAL SPACE DEMAND; 2006 TO 2030  
METRO AREA, SOUTHWEST SUBMARKET, CARVER COUNTY AND CARVER  
(In Thousands of Square Feet)

Year	Metro Area		Southwest Submarket		Carver County		Carver		
	5% Cumulative	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Cumulative Sq. Ft.
2006	48,416								
2007	50,837	2,421	8.5 %	206	62.5 %	129	- %	-	-
2008	53,379	2,542	8.5	216	62.5	135	-	-	-
2009	56,048	2,669	8.5	227	62.5	142	-	-	-
2010	58,850	2,802	8.5	238	62.5	149	-	-	-
2011	61,792	2,942	8.5	250	65.0	163	-	-	-
2012	64,882	3,090	8.5	263	65.0	171	2.5	4	4
2013	68,126	3,244	8.5	276	65.0	179	2.5	4	9
2014	71,532	3,406	8.5	290	65.0	188	2.5	5	13
2015	75,109	3,577	8.5	304	65.0	198	2.5	5	18
2016	78,865	3,755	8.5	319	67.5	215	2.5	5	24
2017	82,808	3,943	8.5	335	67.5	226	3.0	7	31
2018	86,948	4,140	8.5	352	67.5	238	3.0	7	38
2019	91,296	4,347	8.5	370	67.5	249	3.0	7	45
2020	95,860	4,565	8.5	388	67.5	262	3.0	8	53
2021	100,653	4,793	8.5	407	70.0	285	3.0	9	62
2022	105,686	5,033	8.5	428	70.0	299	4.0	12	74
2023	110,970	5,284	8.5	449	70.0	314	4.0	13	86
2024	116,519	5,549	8.5	472	70.0	330	4.0	13	99
2025	122,345	5,826	8.5	495	70.0	347	4.0	14	113
2026	128,462	6,117	8.5	520	72.5	377	4.0	15	128
2027	134,885	6,423	8.5	546	72.5	396	4.5	18	146
2028	141,629	6,744	8.5	573	72.5	416	4.5	19	165
2029	148,711	7,081	8.5	602	72.5	436	4.5	20	184
2030	156,146	7,436	8.5	632	72.5	458	4.5	21	205
Contingency (25%) Total									<u>51</u> 256

Source: McComb Group, Ltd.

## Bulk Warehouse Demand

Multi-tenant buildings with 16,700 square feet represent 100 percent of Carver's bulk warehouse space, all of which was built before 1986.

Table 2-4

CARVER BULK WAREHOUSE BUILDINGS  
GROSS BUILDING AREA BY FIVE-YEAR PERIOD  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1986-2006 Increase
<b>CARVER COUNTY</b>						
Total Space	2,218.9	3,212.7	3,772.3	4,069.6	4,421.2	
Total Net Absorption		993.8	559.6	297.3	351.6	2,202.3
<b>CARVER</b>						
Total Space	16.7	16.7	16.7	16.7	16.7	
Net Absorption		-	-	-	-	-
Percent of Carver		- %	- %	- %	- %	- %

Source: Carver County and McComb Group, Ltd.

Metropolitan Area bulk warehouse absorption is estimated to increase at 3.5 percent between 2006 and 2030. The southwest growth corridor is expected to capture a smaller portion of that growth decreasing from 7.0 percent in 2007 to 5.0 percent in 2026. Carver County is estimated to capture 37.0 percent of the southwest growth corridor absorption, as shown in Table 2-5. Bulk warehouse absorption in Carver is estimated at 10.0 percent per year between 2007 and 2020. Absorption increases to 12.5 percent in 2021 through 2025 and further increases to 13.0 percent per year over the last five years. This results in an estimated 47,000 additional square feet of bulk warehouse space with an additional 12,000 square feet for contingency, resulting in a total estimated increase of 58,000 square feet of bulk warehouse space.

Table 2-5  
 FUTURE BULK WAREHOUSE SPACE DEMAND; 2006 TO 2030  
 METRO AREA, SOUTHWEST SUBMARKET, CARVER COUNTY AND CARVER  
 (In Thousands of Dollars)

Year	Metro Area		Southwest Submarket		Carver County		Carver		
	3.5% Cumulative	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Cumulative Sq. Ft.
2006	14,985								
2007	15,509	524	7.0 %	37	37.0 %	14	10.0 %	1	1
2008	16,052	543	7.0	38	37.0	14	10.0	1	3
2009	16,614	562	7.0	39	37.0	15	10.0	1	4
2010	17,196	581	7.0	41	37.0	15	10.0	2	6
2011	17,797	602	6.5	39	37.0	14	10.0	1	7
2012	18,420	623	6.5	40	37.0	15	10.0	1	9
2013	19,065	645	6.5	42	37.0	16	10.0	2	10
2014	19,732	667	6.5	43	37.0	16	10.0	2	12
2015	20,423	691	6.5	45	37.0	17	10.0	2	13
2016	21,138	715	6.0	43	37.0	16	10.0	2	15
2017	21,878	740	6.0	44	37.0	16	10.0	2	17
2018	22,643	766	6.0	46	37.0	17	10.0	2	18
2019	23,436	793	6.0	48	37.0	18	10.0	2	20
2020	24,256	820	6.0	49	37.0	18	10.0	2	22
2021	25,105	849	5.5	47	37.0	17	12.5	2	24
2022	25,984	879	5.5	48	37.0	18	12.5	2	26
2023	26,893	909	5.5	50	37.0	19	12.5	2	29
2024	27,834	941	5.5	52	37.0	19	12.5	2	31
2025	28,809	974	5.5	54	37.0	20	12.5	2	34
2026	29,817	1,008	5.0	50	37.0	19	13.0	2	36
2027	30,861	1,044	5.0	52	37.0	19	13.0	3	39
2028	31,941	1,080	5.0	54	37.0	20	13.0	3	41
2029	33,059	1,118	5.0	56	37.0	21	13.0	3	44
2030	34,216	1,157	5.0	58	37.0	21	13.0	3	47
Contingency (25%)									12
Total									59

Source: McComb Group, Ltd.

## Commercial Office Demand

Commercial office in this analysis includes multi-tenant and single tenant office buildings. Commercial office space in Carver County and Carver are summarized in Table 2-6. Commercial office space in Carver has been constant at 16,200 square feet from 1986 to 2006. Multi-tenant commercial office space has been 13,600 square feet since 1986. This represents almost 85 percent of Carver's commercial office space. Single tenant office space has remained at 2,600 square feet since 1986 or 15 percent of Carver's total commercial office space.

Table 2-6

**CARVER COMMERCIAL OFFICE BUILDINGS**  
**GROSS BUILDING AREA BY FIVE-YEAR PERIOD**  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1986-2006 Increase
<b>CARVER COUNTY</b>						
Total Space	282.9	718.2	801.0	922.5	1,033.7	
Total Net Absorption	-	435.27	82.80	121.50	111.20	750.77
<b>CARVER</b>						
Total Space	16.2	16.2	16.2	16.2	16.2	-
Net Absorption		-	-	-	-	-
Percent of Carver		- %	- %	- %	- %	- %

Source: Carver County and McComb Group, Ltd.

Future commercial office potential in Carver is reflected in Table 2-7, which shows commercial office space demand from 2007 to 2030. This is based on the assumption that Metropolitan Area office occupancy will grow at three percent per year with the southwest growth corridor capturing 20 percent of that increase. Carver County is assumed to capture an increasing share of the southwest growth corridor growth, starting at 10.0 percent in 2007 and increasing to 20.0 percent in 2026. Carver's market share is estimated at 5.0 percent of the Carver County growth in 2011 through 2020, increasing to 7.5 percent from 2021 to 2030. These estimates indicate that Carver's commercial office potential would be about 140,000 square feet through 2030, including a 28,000 square foot contingency.

Table 2-7

**FUTURE COMMERCIAL OFFICE SPACE DEMAND; 2006 TO 2030**  
**METRO AREA, SOUTHWEST SUBMARKET, CARVER COUNTY AND CARVER**  
(In Thousands of Square Feet)

Year	Metro Area		Southwest Submarket		Carver County		Carver		
	3% Cumulative	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Cumulative Sq. Ft.
2006	55,800								
2007	57,474	1,674	20.0 %	335	10.0 %	33		-	-
2008	59,198	1,724	20.0	345	10.0	34		-	-
2009	60,974	1,776	20.0	355	10.0	36		-	-
2010	62,803	1,829	20.0	366	10.0	37		-	-
2011	64,687	1,884	20.0	377	12.5	47	5.0	2	2
2012	66,628	1,941	20.0	388	12.5	49	5.0	2	5
2013	68,627	1,999	20.0	400	12.5	50	5.0	2	7
2014	70,686	2,059	20.0	412	12.5	51	5.0	3	10
2015	72,806	2,121	20.0	424	12.5	53	5.0	3	13
2016	74,991	2,184	20.0	437	15.0	66	5.0	3	16
2017	77,240	2,250	20.0	450	15.0	67	5.0	3	19
2018	79,557	2,317	20.0	463	15.0	70	5.0	3	23
2019	81,944	2,387	20.0	477	15.0	72	5.0	4	26
2020	84,403	2,458	20.0	492	15.0	74	5.0	4	30
2021	86,935	2,532	20.0	506	17.5	89	7.5	7	37
2022	89,543	2,608	20.0	522	17.5	91	7.5	7	43
2023	92,229	2,686	20.0	537	17.5	94	7.5	7	50
2024	94,996	2,767	20.0	553	17.5	97	7.5	7	58
2025	97,846	2,850	20.0	570	17.5	100	7.5	7	65
2026	100,781	2,935	20.0	587	20.0	117	7.5	9	74
2027	103,804	3,023	20.0	605	20.0	121	7.5	9	83
2028	106,919	3,114	20.0	623	20.0	125	7.5	9	92
2029	110,126	3,208	20.0	642	20.0	128	7.5	10	102
2030	113,430	3,304	20.0	661	20.0	132	7.5	10	112
Contingency (25%)									28
Total									140

Source: McComb Group, Ltd.

## Office Showroom Demand

Carver does not have any office showroom development at the present time; however, it is a product type that could develop in Carver in the future. During the period 1986 to 2006, office showroom space in Carver County increased from 68,400 square feet to 239,700 square feet, as shown in Table 2-8. This space has only been developed in Chanhassen to date.

Table 2-8

**CARVER OFFICE SHOWROOM BUILDINGS**  
**GROSS BUILDING AREA BY FIVE-YEAR PERIOD**  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1986-2006 Increase
<b>CARVER COUNTY</b>						
Total Space	68.4	124.4	139.7	195.6	239.7	
Total Net Absorption		56.0	15.3	55.9	44.1	171.3

Source: Carver County and McComb Group, Ltd.

Future office showroom space demand is shown in Table 2-9. Metropolitan Area office showroom space is estimated to continue to increase at about two percent annually. The southwest growth corridor is expected to capture 25 percent of the metro growth with Carver County capturing an increasing share of the southwest growth corridor share, beginning at 7.0

Table 2-9

**FUTURE OFFICE SHOWROOM SPACE DEMAND; 2006 TO 2030**  
**METRO AREA, SOUTHWEST SUBMARKET, CARVER COUNTY AND CARVER**  
(In Thousands of Square Feet)

Year	Metro Area		Southwest Submarket		Carver County		Carver		
	2% Cumulative	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Cumulative Sq. Ft.
2006	17,074								
2007	17,415	341	25.0 %	85	7.0 %	6	%	-	-
2008	17,764	348	25.0	87	7.0	6		-	-
2009	18,119	355	25.0	89	7.0	6		-	-
2010	18,481	362	25.0	91	10.0	9		-	-
2011	18,851	370	25.0	92	10.0	9		-	-
2012	19,228	377	25.0	94	10.0	9		-	-
2013	19,613	385	25.0	96	10.0	10		-	-
2014	20,005	392	25.0	98	10.0	10		-	-
2015	20,405	400	25.0	100	10.0	10		-	-
2016	20,813	408	25.0	102	12.5	13	2.5	0	0
2017	21,229	416	25.0	104	12.5	13	2.5	0	1
2018	21,654	425	25.0	106	12.5	13	2.5	0	1
2019	22,087	433	25.0	108	12.5	14	2.5	0	1
2020	22,529	442	25.0	110	12.5	14	2.5	0	2
2021	22,979	451	25.0	113	15.0	17	2.5	0	2
2022	23,439	460	25.0	115	15.0	17	2.5	0	3
2023	23,908	469	25.0	117	15.0	18	2.5	0	3
2024	24,386	478	25.0	120	15.0	18	2.5	0	3
2025	24,874	488	25.0	122	15.0	18	2.5	0	4
2026	25,371	497	25.0	124	20.0	25	2.5	1	4
2027	25,878	507	25.0	127	20.0	25	2.5	1	5
2028	26,396	518	25.0	129	20.0	26	2.5	1	6
2029	26,924	528	25.0	132	20.0	26	2.5	1	6
2030	27,462	538	25.0	135	20.0	27	2.5	1	7
Contingency (25%)									2
Total									9

Source: McComb Group, Ltd.

percent in 2007 and increasing to 20.0 percent in 2026. Carver is expected to capture a minimal amount of the Carver County office showroom space. No absorption is planned for the period 2007 to 2015. Office showroom absorption is estimated at 2.5 percent annually starting in 2016. Initial absorption begins at less than 1,000 square feet per year in 2017 through 2025, and remains constant at about 1,000 square feet per year from 2026 until 2030. This indicates that office showroom development is likely to be very modest. Total office showroom development over the next 23 years is estimated at 9,000 square feet including a 25 percent contingency.

## Summary

Total business park space demand for 2008 through 2030 is estimated at over 371,000 square feet, as shown in Table 2-10. A contingency of 25 percent (93,000 square feet) has been provided for two reasons: 1) Carver's growth will not end in 2030; and 2) the contingency space will provide for the possibility that demand for business park space exceeds the baseline estimates. These estimates of business park space are designed to provide an estimate of total space to be needed by 2030. Demand for individual categories of development may vary from the individual estimates.

Table 2-10  
CARVER ESTIMATED BUSINESS PARK SPACE DEMAND; 2008 TO 2030  
(In Thousands of Square Feet)

Category	Estimated Demand	Contingency 25%	Total
Office Warehouse/Industrial	205	51	256
Commercial Office	112	28	140
Office Showroom	7	2	9
Bulk Warehouse	47	12	59
Total	371	93	464

Source: McComb Group, Ltd.

Estimated business park land demand for 2008 to 2030 is contained in Table 2-11. Land demand is estimated by dividing the estimated space demand by the amount of building area that can be placed on an acre of land. Commercial office, which has the highest parking demand, is estimated at 12,500 square feet per acre. The other building categories are estimated at 15,000 square feet per acre. This results in an estimated 33 acres of land necessary to accommodate the estimated growth of about 464,000 square feet.

Table 2-11  
CARVER ESTIMATED BUSINESS PARK LAND DEMAND; 2008 TO 2030

Category	Square Feet (000)	Square Feet Per Acre	Acres
Office Warehouse/Industrial	256	15,000	17
Commercial Office	140	12,500	11
Office Showroom	9	15,000	1
Bulk Warehouse	59	15,000	4
Total	464		33

Source: McComb Group, Ltd.

## Chapter 3

### CHANHASSEN BUSINESS PARK DEVELOPMENT POTENTIAL

Future business park development potential in Chanhassen will be related to growth in the Metropolitan Area and the portion that is likely to be captured in Carver County. Chanhassen can be expected to capture a portion of the Carver County growth. This chapter addresses the demand for office warehouse/industrial, commercial office, office showroom, and bulk warehouse space. These categories include both single tenant buildings and multi-tenant developments, and are the building types that generally locate in suburban business parks. Actual demand will depend on suitable available land, marketing incentives, and developer or tenant interest.

#### Existing Business Park Development

Chanhassen's existing business park uses consist of office warehouse/industrial, commercial office, office showroom and bulk warehouse buildings, and total over 3.9 million square feet and occupy 432 acres. Bulk warehouse is the largest category with over 1.6 million square feet of gross leasable area, as shown in Table 3-1.

Table 3-1

CHANHASSEN BUSINESS PARK AND LAND; 1986 TO 2006  
MULTI-TENANT AND SINGLE TENANT BUILDINGS  
(Square Feet and Acres)

Category	Pre-1986 Sq. Feet	Increase				Gross Building Area	Land (acres)
		1986-1991 Sq. Feet	1992-1996 Sq. Feet	1997-2001 Sq. Feet	2002-2006 Sq. Feet		
<b>Commercial Office</b>							
Multi-Tenant	32,000	53,428	17,919	16,421	87,009	206,777	25.0
Single Tenant	-	347,600	-	26,253	158,833	532,686	67.0
Subtotal	32,000	401,028	17,919	42,674	245,842	739,463	92.0
<b>Office Showroom</b>							
Multi-Tenant	68,416	56,000	-	55,845	44,160	224,421	19.0
Single Tenant	-	-	15,372	-	-	15,372	3.0
Subtotal	68,416	56,000	15,372	55,845	44,160	239,793	22.0
<b>Office Warehouse/Industrial</b>							
Multi-Tenant	25,000	-	64,135	430,752	36,376	556,263	49.0
Single Tenant	20,280	71,764	62,695	547,435	73,664	775,838	97.0
Subtotal	45,280	71,764	126,830	978,187	110,040	1,332,101	146.0
<b>Bulk Warehouse</b>							
Multi-Tenant	35,784	81,686	-	-	48,042	165,512	15.0
Single Tenant	785,452	490,704	6,640	8,355	189,269	1,480,420	157.0
Subtotal	821,236	572,390	6,640	8,355	237,311	1,645,932	172.0
<b>Total</b>	966,932	1,101,182	166,761	1,085,061	637,353	3,957,289	432.0

Source: Carver County and McComb Group, Ltd.

## Office Warehouse/Industrial Demand

The office warehouse/industrial category also includes office research, office manufacturing, and other types of similar uses. Chanhassen's office warehouse/industrial absorption for the period 1986 to 2006 for multi-tenant buildings and single tenant buildings is contained in Table 3-2. Office warehouse/industrial buildings totaled 1,332,300 square feet in 2006, increasing from 45,300 in 1986. In total, Chanhassen had a net absorption of 1,287,000 square feet of office warehouse/industrial space between 1986 and 2006, which represented 40 percent of Carver County's net absorption for the same time period.

Table 3-2

CHANHASSEN OFFICE WAREHOUSE/INDUSTRIAL BUILDINGS  
GROSS BUILDING AREA BY FIVE-YEAR PERIOD  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1991-2006 Increase
<b>CARVER COUNTY</b>						
Total Space	1,373.3	2,327.6	3,155.0	4,356.9	4,629.5	
Total Net Absorption		954.3	827.4	1,201.9	272.6	3,256.2
<b>CHANHASSEN</b>						
Total Space	45.3	117.1	244.0	1,222.2	1,332.3	
Net Absorption		71.8	126.9	978.2	110.1	1,287.0
Percent of Carver		7.5 %	15.3 %	81.4 %	40.4 %	39.5 %

Source: Carver County and McComb Group, Ltd.

Future office warehouse/industrial demand in Chanhassen is based on estimated market share from 2007 to 2030. Chanhassen has experienced increasing office warehouse/industrial development in the past. For purposes of this analysis, Metro Area office warehouse/industrial market is expected to grow at a rate of five percent annually, as shown in Table 3-3. Based on past performance, the southwest submarket is estimated to capture 8.5 percent of the Metropolitan Area increase in office warehouse/industrial space. Carver County's share of the southwest submarket absorption is estimated at 62.5 percent for the period 2007 to 2010, increasing to 65 percent for 2011 to 2015, 67.5 percent for 2016 to 2020, 70.0 percent for 2021 to 2025, and 72.5 percent for 2026 to 2030.

Chanhassen's market share is estimated at 50 percent beginning in 2007 and decreasing to 46 percent in 2011, and continuing to decrease every five years to 40 percent in 2026 through 2030. The increase in office warehouse/industrial demand for Chanhassen over the next 25 years is estimated at over 3.4 million square feet, including a 25 percent contingency.

Table 3-3

FUTURE OFFICE WAREHOUSE/INDUSTRIAL SPACE DEMAND; 2006 TO 2030  
METRO AREA, SOUTHWEST SUBMARKET, CARVER COUNTY AND CHANHASSEN  
(In Thousands of Square Feet)

Year	Metro Area		Southwest Submarket		Carver County		ChanhasSEN		
	5% Cumulative	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Cumulative Sq. Ft.
2006	48,416								
2007	50,837	2,421	8.5 %	206	62.5 %	129	50.0 %	64	64
2008	53,379	2,542	8.5	216	62.5	135	50.0	68	132
2009	56,048	2,669	8.5	227	62.5	142	50.0	71	203
2010	58,850	2,802	8.5	238	62.5	149	50.0	74	277
2011	61,792	2,942	8.5	250	65.0	163	46.0	75	352
2012	64,882	3,090	8.5	263	65.0	171	46.0	79	430
2013	68,126	3,244	8.5	276	65.0	179	46.0	82	513
2014	71,532	3,406	8.5	290	65.0	188	46.0	87	599
2015	75,109	3,577	8.5	304	65.0	198	46.0	91	690
2016	78,865	3,755	8.5	319	67.5	215	45.0	97	787
2017	82,808	3,943	8.5	335	67.5	226	45.0	102	889
2018	86,948	4,140	8.5	352	67.5	238	45.0	107	996
2019	91,296	4,347	8.5	370	67.5	249	45.0	112	1,108
2020	95,860	4,565	8.5	388	67.5	262	45.0	118	1,226
2021	100,653	4,793	8.5	407	70.0	285	42.0	120	1,346
2022	105,686	5,033	8.5	428	70.0	299	42.0	126	1,472
2023	110,970	5,284	8.5	449	70.0	314	42.0	132	1,604
2024	116,519	5,549	8.5	472	70.0	330	42.0	139	1,742
2025	122,345	5,826	8.5	495	70.0	347	42.0	146	1,888
2026	128,462	6,117	8.5	520	72.5	377	40.0	151	2,039
2027	134,885	6,423	8.5	546	72.5	396	40.0	158	2,197
2028	141,629	6,744	8.5	573	72.5	416	40.0	166	2,363
2029	148,711	7,081	8.5	602	72.5	436	40.0	175	2,538
2030	156,146	7,436	8.5	632	72.5	458	40.0	183	2,721
Contingency (25%)									680
Total									3,401

Source: McComb Group, Ltd.

## Bulk Warehouse Demand

Single tenant bulk warehouse buildings represent 84 percent of ChanhasSEN's bulk warehouse space. Between 1986 and 2006, over 2.2 million square feet of bulk warehouse space was absorbed in Carver County. ChanhasSEN captured 37.4 percent of Carver County's bulk warehouse absorption, or 824,700 square feet as shown in Table 3-4.

Table 3-4

CHANHASSEN BULK WAREHOUSE BUILDINGS  
GROSS BUILDING AREA BY FIVE-YEAR PERIOD  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1991-2006 Increase
<b>CARVER COUNTY</b>						
Total Space	2,218.9	3,212.7	3,772.3	4,069.6	4,421.2	
Total Net Absorption		993.8	559.6	297.3	351.6	2,202.3
<b>CHANHASSEN</b>						
Total Space	821.3	1,393.7	1,400.3	1,408.7	1,646.0	
Net Absorption		572.4	6.6	8.4	237.3	824.7
Percent of Carver		57.6 %	1.2 %	2.8 %	67.5 %	37.4 %

Source: Carver County and McComb Group, Ltd.

Future bulk warehouse absorption in the Metropolitan Area is estimated to increase at 3.5 percent between 2006 and 2030. Carver County is estimated to capture 37.0 percent of the southwest growth corridor absorption, as shown in Table 3-5. Bulk warehouse absorption in Chanhassen is estimated at 10 percent per year of Carver County's share from 2007 to 2010. Absorption decreases to 8.5 percent in 2011 through 2020, and further decreases to 7.5 percent for 2021 to 2025 and 6.5 percent per year over the next five years to 2030. This results in an estimated 33,000 additional square footage of bulk warehouse space, with an additional 8,000 square feet for contingency, resulting in a total estimated increase of 41,000 square feet of bulk warehouse space. Bulk warehouse demand is expected to be limited due to land costs in Chanhassen.

Table 3-5  
 FUTURE BULK WAREHOUSE SPACE DEMAND; 2006 TO 2030  
 METRO AREA, SOUTHWEST SUBMARKET, CARVER COUNTY AND CHANHASSEN  
 (In Thousands of Square Feet)

Year	Metro Area		Southwest Submarket		Carver County		Chanhassen		
	3.5% Cumulative	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Cumulative Sq. Ft.
2006	14,985								
2007	15,509	524	7.0 %	37	37.0 %	14	10.0 %	1	1
2008	16,052	543	7.0	38	37.0	14	10.0	1	3
2009	16,614	562	7.0	39	37.0	15	10.0	1	4
2010	17,196	581	7.0	41	37.0	15	10.0	2	6
2011	17,797	602	6.5	39	37.0	14	8.5	1	7
2012	18,420	623	6.5	40	37.0	15	8.5	1	8
2013	19,065	645	6.5	42	37.0	16	8.5	1	10
2014	19,732	667	6.5	43	37.0	16	8.5	1	11
2015	20,423	691	6.5	45	37.0	17	8.5	1	12
2016	21,138	715	6.0	43	37.0	16	8.5	1	14
2017	21,878	740	6.0	44	37.0	16	8.5	1	15
2018	22,643	766	6.0	46	37.0	17	8.5	1	17
2019	23,436	793	6.0	48	37.0	18	8.5	1	18
2020	24,256	820	6.0	49	37.0	18	8.5	2	20
2021	25,105	849	5.5	47	37.0	17	7.5	1	21
2022	25,984	879	5.5	48	37.0	18	7.5	1	22
2023	26,893	909	5.5	50	37.0	19	7.5	1	24
2024	27,834	941	5.5	52	37.0	19	7.5	1	25
2025	28,809	974	5.5	54	37.0	20	7.5	1	27
2026	29,817	1,008	5.0	50	37.0	19	6.5	1	28
2027	30,861	1,044	5.0	52	37.0	19	6.5	1	29
2028	31,941	1,080	5.0	54	37.0	20	6.5	1	30
2029	33,059	1,118	5.0	56	37.0	21	6.5	1	32
2030	34,216	1,157	5.0	58	37.0	21	6.5	1	33
Contingency (25%)									8
Total									41

Source: McComb Group, Ltd.

### Commercial Office Demand

Commercial office in this analysis includes multi-tenant and single tenant office buildings. Commercial office space in Carver County and Chanhassen are summarized in Table 3-6. Commercial office space in Chanhassen has increased from 32,000 square feet in 1986 to over 739,400 square feet in 2006. In total, Chanhassen had a net absorption of 707,400 square feet from 1986 to 2006, which represents 94.2 percent of Carver County's total commercial office space absorption.

Table 3-6

**CHANHASSEN COMMERCIAL OFFICE BUILDINGS**  
**GROSS BUILDING AREA BY FIVE-YEAR PERIOD**  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1986-2006 Increase
<b>CARVER COUNTY</b>						
Total Space	282.9	718.2	801.0	922.5	1,033.7	
Total Net Absorption		435.27	82.80	121.50	111.20	750.77
<b>CHANHASSEN</b>						
Total Space	32.0	433.0	450.9	493.6	739.4	
Net Absorption		401.0	17.9	42.7	245.8	707.4
Percent of Carver		92.1 %	21.6 %	35.1 %	221.0 %	94.2 %

Source: Carver County and McComb Group, Ltd.

Future commercial office potential in Chanhassen is reflected in Table 3-7, which shows commercial office space demand from 2007 to 2030. This is based on the assumption that Metropolitan Area office occupancy will grow at three percent per year and the southwest submarket will capture 20 percent of that growth. Carver County is assumed to capture an increasing share of this growth, starting at 10 percent in 2007 and increasing to 20 percent by 2026. Chanhassen's market share is estimated at 75 percent of the Carver County growth in 2007 through 2010, decreasing by 5.0 percent every 5 years until 2026, when the market share is estimated at 57.5 percent until 2030. These estimates indicate that Chanhassen's commercial office potential would be over 1.4 million square feet through 2030, including a 287,000 square foot contingency.

Table 3-7

**FUTURE COMMERCIAL OFFICE SPACE DEMAND; 2006 TO 2030**  
**METRO AREA, SOUTHWEST SUBMARKET, CARVER COUNTY AND CHANHASSEN**  
(In Thousands of Square Feet)

Year	Metro Area		Southwest Submarket		Carver County		Chanhassen		
	3% Cumulative	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Cumulative Sq. Ft.
2006	55,800								
2007	57,474	1,674	20.0 %	335	10.0 %	33	75.0 %	25	25
2008	59,198	1,724	20.0	345	10.0	34	75.0	26	51
2009	60,974	1,776	20.0	355	10.0	36	75.0	27	78
2010	62,803	1,829	20.0	366	10.0	37	75.0	27	105
2011	64,687	1,884	20.0	377	12.5	47	70.0	33	138
2012	66,628	1,941	20.0	388	12.5	49	70.0	34	172
2013	68,627	1,999	20.0	400	12.5	50	70.0	35	207
2014	70,686	2,059	20.0	412	12.5	51	70.0	36	243
2015	72,806	2,121	20.0	424	12.5	53	70.0	37	280
2016	74,991	2,184	20.0	437	15.0	66	65.0	43	323
2017	77,240	2,250	20.0	450	15.0	67	65.0	44	367
2018	79,557	2,317	20.0	463	15.0	70	65.0	45	412
2019	81,944	2,387	20.0	477	15.0	72	65.0	47	458
2020	84,403	2,458	20.0	492	15.0	74	65.0	48	506
2021	86,935	2,532	20.0	506	17.5	89	60.0	53	559
2022	89,543	2,608	20.0	522	17.5	91	60.0	55	614
2023	92,229	2,686	20.0	537	17.5	94	60.0	56	671
2024	94,996	2,767	20.0	553	17.5	97	60.0	58	729
2025	97,846	2,850	20.0	570	17.5	100	60.0	60	789
2026	100,781	2,935	20.0	587	20.0	117	57.5	68	856
2027	103,804	3,023	20.0	605	20.0	121	57.5	70	926
2028	106,919	3,114	20.0	623	20.0	125	57.5	72	997
2029	110,126	3,208	20.0	642	20.0	128	57.5	74	1,071
2030	113,430	3,304	20.0	661	20.0	132	57.5	76	1,147
Contingency (25%)									287
Total									1,434

Source: McComb Group, Ltd.

## Office Showroom Demand

Chanhassen is the only community within Carver County that has office showroom space. In 1986, Chanhassen had 68,400 square feet of office showroom space and increased to 239,800 square feet by 2006. The majority of office showroom space is multi-tenant representing 94 percent of the space.

Table 3-8

**CHANHASSEN OFFICE SHOWROOM BUILDINGS  
GROSS BUILDING AREA BY FIVE-YEAR PERIOD**  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1986-2006 Increase
<b>CARVER COUNTY</b>						
Total Space	68.4	124.4	139.7	195.6	239.7	
Total Net Absorption		56.0	15.3	55.9	44.1	171.3
<b>CHANHASSEN</b>						
Total	68.4	124.4	139.8	195.6	239.8	115.4
Net Absorption		56.0	15.4	55.8	44.2	171.4
Percent of Carver		100.0 %	100.7 %	99.8 %	100.2 %	100.1 %

Source: Carver County and McComb Group, Ltd.

Future office showroom space demand is shown in Table 3-9. Metropolitan Area office showroom space is estimated to continue to increase at about two percent annually with the southwest growth corridor capturing 25 percent of the Metro growth. Carver County will

Table 3-9

**FUTURE OFFICE SHOWROOM SPACE DEMAND; 2006 TO 2030**  
**METRO AREA, SOUTHWEST SUBMARKET, CARVER COUNTY AND CHANHASSEN**  
(In Thousands of Square Feet)

Year	Metro Area		Southwest Submarket		Carver County		Chanhassen		
	2% Cumulative	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Cumulative Sq. Ft.
2006	17,074								
2007	17,415	341	25.0 %	85	7.0 %	6	100.0 %	6	6
2008	17,764	348	25.0	87	7.0	6	100.0	6	12
2009	18,119	355	25.0	89	7.0	6	100.0	6	18
2010	18,481	362	25.0	91	10.0	9	100.0	9	27
2011	18,851	370	25.0	92	10.0	9	90.0	8	36
2012	19,228	377	25.0	94	10.0	9	90.0	8	44
2013	19,613	385	25.0	96	10.0	10	90.0	9	53
2014	20,005	392	25.0	98	10.0	10	90.0	9	62
2015	20,405	400	25.0	100	10.0	10	90.0	9	71
2016	20,813	408	25.0	102	12.5	13	85.0	11	81
2017	21,229	416	25.0	104	12.5	13	85.0	11	93
2018	21,654	425	25.0	106	12.5	13	85.0	11	104
2019	22,087	433	25.0	108	12.5	14	85.0	12	115
2020	22,529	442	25.0	110	12.5	14	85.0	12	127
2021	22,979	451	25.0	113	15.0	17	80.0	14	141
2022	23,439	460	25.0	115	15.0	17	80.0	14	154
2023	23,908	469	25.0	117	15.0	18	80.0	14	168
2024	24,386	478	25.0	120	15.0	18	80.0	14	183
2025	24,874	488	25.0	122	15.0	18	80.0	15	197
2026	25,371	497	25.0	124	20.0	25	75.0	19	216
2027	25,878	507	25.0	127	20.0	25	75.0	19	235
2028	26,396	518	25.0	129	20.0	26	75.0	19	254
2029	26,924	528	25.0	132	20.0	26	75.0	20	274
2030	27,462	538	25.0	135	20.0	27	75.0	20	294
Contingency (25%) Total									74 368

Source: McComb Group, Ltd.

capture an increasing share of the southwest growth corridor increase, beginning at 7.0 percent in 2007 and increasing to 20.0 percent in 2026. Chanhassen is expected to capture over 80 percent of the future Carver County office showroom space. Office showroom absorption is estimated at 100 percent annually starting in 2007, decreasing to 75 percent in 2026. Initial absorption begins at 6,000 square feet per year in 2007 and does not reach 10,000 square feet per year until 2016. Since this is a baseline forecast, it would take five years absorption to support a 23,000 square foot office showroom development. Total office showroom development over the next 23 years is 368,000 square feet, including a 74,000 square foot contingency.

## Summary

Total business park space demand for 2008 through 2030 is estimated at over 4.1 million square feet, as shown in Table 3-10. A contingency of 25 percent (1.05 million square feet) has been provided for two reasons: 1) Chanhassen's growth will not end in 2030; and 2) the contingency space will provide for the possibility that demand for business park space exceeds the baseline estimates. These estimates of business park space are designed to provide an estimate of total space to be needed by 2030. Demand for individual categories of development may vary from the individual estimates.

Table 3-10  
CHANHASSEN ESTIMATED BUSINESS PARK SPACE DEMAND; 2008 TO 2030  
(In Thousands of Square Feet)

Category	Estimated Demand	Contingency 25%	Total
Office Warehouse/Industrial	2,721	680	3,401
Commercial Office	1,147	287	1,434
Office Showroom	294	74	368
Bulk Warehouse	33	8	41
Total	4,195	1,049	5,244

Source: McComb Group, Ltd.

Estimated business park land demand for 2008 to 2030 is contained in Table 3-11. Land demand is estimated by dividing the estimated space demand by the amount of building area that can be placed on an acre of land. Commercial office, which has the highest parking demand, is estimated at 12,500 square feet per acre. The other building categories are estimated at 15,000 square feet per acre. This results in an estimated 369 acres of land necessary to accommodate the estimated growth of roughly 5.3 million square feet.

Table 3-11  
CHANHASSEN ESTIMATED BUSINESS PARK LAND DEMAND; 2008 TO 2030

Category	Square Feet (000)	Square Feet Per Acre	Acres
Office Warehouse/Industrial	3,401	15,000	227
Commercial Office	1,434	12,500	115
Office Showroom	368	15,000	25
Bulk Warehouse	41	15,000	3
Total	5,244		369

Source: McComb Group, Ltd.

## Chapter 4

### CHASKA BUSINESS PARK DEVELOPMENT POTENTIAL

Future business park development potential in Chaska will be related to growth in the Metropolitan Area and the portion that is likely to be captured in Carver County. Chaska can be expected to capture a portion of the Carver County growth. This chapter addresses the demand for office warehouse/industrial, commercial office, office showroom, and bulk warehouse space. These categories include both single tenant buildings and multi-tenant developments, and are the building types that generally locate in suburban business parks. Actual demand will depend on suitable available land, marketing incentives, and developer or tenant interest.

#### Existing Business Park Development

Chaska's existing business park uses consist of office warehouse/industrial, commercial office and bulk warehouse buildings, and total over 4.8 million square feet and occupy 504 acres. Office warehouse/industrial is the largest category with over 2.8 million square feet of gross leasable area, as shown in Table 4-1. Chaska presently has no office showroom space.

Table 4-1

CHASKA BUSINESS PARK AND LAND; 1986 TO 2006  
MULTI-TENANT AND SINGLE TENANT BUILDINGS  
(Square Feet and Acres)

Category	Pre-1986 Sq. Feet	Increase				Gross Building Area	Land (acres)
		1986-1991 Sq. Feet	1992-1996 Sq. Feet	1997-2001 Sq. Feet	2002-2006 Sq. Feet		
<b>Commercial Office</b>							
Multi-Tenant	113,344	11,144	-	37,615	26,508	188,611	8.0
Single Tenant	70,371	-	35,510	-	26,554	132,435	14.0
Subtotal	183,715	11,144	35,510	37,615	53,062	321,046	22.0
<b>Office Warehouse/Industrial</b>							
Multi-Tenant	139,930	30,051	170,840	76,457	-	417,278	30.0
Single Tenant	906,443	872,150	521,635	41,032	77,680	2,418,940	249.0
Subtotal	1,046,373	902,201	692,475	117,489	77,680	2,836,218	279.0
<b>Bulk Warehouse</b>							
Multi-Tenant	58,664	33,781	-	-	-	92,445	10.0
Single Tenant	760,294	318,731	370,983	132,075	-	1,582,083	193.0
Subtotal	818,958	352,512	370,983	132,075	-	1,674,528	203.0
<b>Total</b>	2,049,046	1,265,857	1,098,968	287,179	130,742	4,831,792	504.0

Source: Carver County and McComb Group, Ltd.

## Office Warehouse/Industrial Demand

The office warehouse/industrial category also includes office research, office manufacturing, and other types of similar uses. Chaska's office warehouse/industrial absorption for the period 1986 to 2006 for multi-tenant buildings and single tenant buildings is contained in Table 4-2. Office warehouse/industrial buildings totaled 2,836,200 square feet in 2006, increasing from 1,046,300 square feet in 1986. In total, Chaska had a net absorption of 1,789,900 square feet of office warehouse/industrial space between 1986 and 2006, which represented 55.0 percent of Carver County's net absorption for the same time period.

Table 4-2

**CHASKA OFFICE WAREHOUSE/INDUSTRIAL BUILDINGS  
GROSS BUILDING AREA BY FIVE-YEAR PERIOD**  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1986-2006 Increase
<b>CARVER COUNTY</b>						
Total Space	1,373.3	2,327.6	3,155.0	4,356.9	4,629.5	
Total Net Absorption		954.3	827.4	1,201.9	272.6	3,256.2
<b>CHASKA</b>						
Total	1,046.3	1,948.6	2,641.0	2,758.5	2,836.2	
Net Absorption		902.3	692.4	117.5	77.7	1,789.9
Percent of Carver		94.6 %	83.7 %	9.8 %	28.5 %	55.0 %

Source: McComb Group, Ltd.

Future office warehouse/industrial demand in Chaska is based on estimated market share from 2007 to 2030. Chaska has experienced moderate office warehouse/industrial development since 1996. For purposes of this analysis, Metro Area office warehouse/industrial market is expected to grow at a rate of five percent annually, as shown in Table 4-3. Over the past 16 years, the southwest submarket has captured about 20 percent of that absorption; however, absorption declined to 23.6 percent in the last five years. Carver County has absorbed about 38 percent of the office warehouse/industrial development. Absorption was about 33 percent in the last five years. Based on past performance, Carver County is estimated to capture 62.5 to 72.5 percent of the southwest area increase in office warehouse/industrial space. Chaska's share of the Carver County absorption is estimated at 40 percent for the period 2007 to 2010, decreasing to 36 percent for the next ten-year period. Market share is estimated at 38 percent beginning in 2021 and increasing to 40 percent in 2026. The increase in office warehouse/industrial demand for Chaska over the next 25 years is estimated at over 3.0 million square feet, including a 25 percent contingency.

Table 4-3

FUTURE OFFICE WAREHOUSE/INDUSTRIAL SPACE DEMAND; 2006 TO 2030  
METRO AREA, SOUTHWEST SUBMARKET, CARVER COUNTY AND CHASKA  
(In Thousands of Square Feet)

Year	Metro Area		Southwest Submarket		Carver County		Chaska		
	5% Cumulative	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Cumulative Sq. Ft.
2006	48,416								
2007	50,837	2,421	8.5 %	206	62.5 %	129	40.0 %	51	51
2008	53,379	2,542	8.5	216	62.5	135	40.0	54	105
2009	56,048	2,669	8.5	227	62.5	142	40.0	57	162
2010	58,850	2,802	8.5	238	62.5	149	40.0	60	222
2011	61,792	2,942	8.5	250	65.0	163	36.0	59	280
2012	64,882	3,090	8.5	263	65.0	171	36.0	61	342
2013	68,126	3,244	8.5	276	65.0	179	36.0	65	406
2014	71,532	3,406	8.5	290	65.0	188	36.0	68	474
2015	75,109	3,577	8.5	304	65.0	198	36.0	71	545
2016	78,865	3,755	8.5	319	67.5	215	36.0	78	623
2017	82,808	3,943	8.5	335	67.5	226	36.0	81	704
2018	86,948	4,140	8.5	352	67.5	238	36.0	86	790
2019	91,296	4,347	8.5	370	67.5	249	36.0	90	879
2020	95,860	4,565	8.5	388	67.5	262	36.0	94	974
2021	100,653	4,793	8.5	407	70.0	285	38.0	108	1,082
2022	105,686	5,033	8.5	428	70.0	299	38.0	114	1,196
2023	110,970	5,284	8.5	449	70.0	314	38.0	119	1,315
2024	116,519	5,549	8.5	472	70.0	330	38.0	125	1,441
2025	122,345	5,826	8.5	495	70.0	347	38.0	132	1,573
2026	128,462	6,117	8.5	520	72.5	377	40.0	151	1,723
2027	134,885	6,423	8.5	546	72.5	396	40.0	158	1,882
2028	141,629	6,744	8.5	573	72.5	416	40.0	166	2,048
2029	148,711	7,081	8.5	602	72.5	436	40.0	175	2,222
2030	156,146	7,436	8.5	632	72.5	458	40.0	183	2,406
Contingency (25%)									601
Total									3,007

Source: McComb Group, Ltd.

## Bulk Warehouse Demand

Single tenant buildings represent 95 percent of Chaska's bulk warehouse space. Between 1986 and 2006, over 2.2 million square feet of bulk warehouse space was absorbed in Carver County. Chaska captured 38.9 percent of Carver County's bulk warehouse absorption, or 855,600 square feet as shown in Table 4-4.

Table 4-4

CHASKA BULK WAREHOUSE BUILDINGS  
GROSS BUILDING AREA BY FIVE-YEAR PERIOD  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1986-2006 Increase
<b>CARVER COUNTY</b>						
Total Space	2,218.9	3,212.7	3,772.3	4,069.6	4,421.2	
Total Net Absorption		993.8	559.6	297.3	351.6	2,202.3
<b>CHASKA</b>						
Total Space	819.0	1,171.5	1,542.5	1,674.6	1,674.6	-
Net Absorption	-	352.5	371.0	132.1	-	855.6
Percent of Carver	- %	35.5 %	66.3 %	44.4 %	- %	38.9 %

Source: McComb Group, Ltd.

Bulk warehouse absorption is estimated to increase at 3.5 percent between 2006 and 2030, and the southwest area is estimated to capture 7.0 percent decreasing to 5.0 percent in 2026. Carver County is estimated to capture 37.0 percent of the southwest area absorption, as shown in Table 4-5. Bulk warehouse absorption in Chaska is estimated at 50 percent per year between 2007 and 2021. Absorption decreases to 45 percent in 2021 through 2025 and further decreases to 40 percent per year over the next five years. This results in an estimated 192,000 square feet of bulk warehouse space with an additional 48,000 square feet for contingency, resulting in a total estimated increase of 240,000 square feet of bulk warehouse space.

Table 4-5  
 FUTURE BULK WAREHOUSE SPACE DEMAND; 2006 TO 2030  
 METRO AREA, SOUTHWEST SUBMARKET, CARVER COUNTY AND CHASKA  
 (In Thousands of Square Feet)

Year	Metro Area		Southwest Submarket		Carver County		Chaska		
	3.5% Cumulative	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Cumulative Sq. Ft.
2006	14,985								
2007	15,509	524	7.0 %	37	37.0 %	14	50.0 %	7	7
2008	16,052	543	7.0	38	37.0	14	50.0	7	14
2009	16,614	562	7.0	39	37.0	15	50.0	7	21
2010	17,196	581	7.0	41	37.0	15	50.0	8	29
2011	17,797	602	6.5	39	37.0	14	50.0	7	36
2012	18,420	623	6.5	40	37.0	15	50.0	7	43
2013	19,065	645	6.5	42	37.0	16	50.0	8	51
2014	19,732	667	6.5	43	37.0	16	50.0	8	59
2015	20,423	691	6.5	45	37.0	17	50.0	8	67
2016	21,138	715	6.0	43	37.0	16	50.0	8	75
2017	21,878	740	6.0	44	37.0	16	50.0	8	84
2018	22,643	766	6.0	46	37.0	17	50.0	8	92
2019	23,436	793	6.0	48	37.0	18	50.0	9	101
2020	24,256	820	6.0	49	37.0	18	50.0	9	110
2021	25,105	849	5.5	47	37.0	17	45.0	8	118
2022	25,984	879	5.5	48	37.0	18	45.0	8	126
2023	26,893	909	5.5	50	37.0	19	45.0	8	134
2024	27,834	941	5.5	52	37.0	19	45.0	9	143
2025	28,809	974	5.5	54	37.0	20	45.0	9	152
2026	29,817	1,008	5.0	50	37.0	19	40.0	7	159
2027	30,861	1,044	5.0	52	37.0	19	40.0	8	167
2028	31,941	1,080	5.0	54	37.0	20	40.0	8	175
2029	33,059	1,118	5.0	56	37.0	21	40.0	8	183
2030	34,216	1,157	5.0	58	37.0	21	40.0	9	192
Contingency (25%)									48
Total									240

Source: McComb Group, Ltd.

## Commercial Office Demand

Commercial office in this analysis includes multi-tenant and single tenant office buildings. Commercial office space in Carver County and Chaska are summarized in Table 4-6. Commercial office space in Chaska has increased from 183,700 square feet in 1986 to over 321,000 square feet in 2006. Multi-tenant commercial office space represented about 60 percent of Chaska's office space. In total, Chaska had a net absorption of 137,300 square feet from 1986 to 2006, which represents 18.3 percent of Carver County's total commercial office space absorption. In the last five-year period, office absorption was 48 percent of the Carver County increase.

Table 4-6

**CHASKA COMMERCIAL OFFICE BUILDINGS**  
**GROSS BUILDING AREA BY FIVE-YEAR PERIOD**  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1986-2006 Increase
<b>CARVER COUNTY</b>						
Total Space	282.9	718.2	801.0	922.5	1,033.7	
Total Net Absorption		435.27	82.80	121.50	111.20	750.77
<b>CHASKA</b>						
Total Space	183.7	194.8	230.3	267.9	321.0	
Net Absorption		11.1	35.5	37.6	53.1	137.3
Percent of Carver		2.6 %	42.9 %	30.9 %	47.8 %	18.3 %

Source: McComb Group, Ltd.

Future commercial office potential in Chaska is reflected in Table 4-7, which shows commercial office space demand from 2007 to 2030. This is based on the assumption that Metropolitan Area office occupancy will grow at three percent per year. Carver County is assumed to capture an increasing share of this growth, starting at 10 percent in 2007 and increasing to 20 percent by 2026. Chaska's market share is estimated at 20 percent of the Carver County growth in 2007 through 2015, increasing to 22.5 percent from 2016 to 2030. These estimates indicate that Chaska's commercial office potential would be about 503,000 square feet through 2030, including a 101,000 square foot contingency.

Table 4-7

**FUTURE COMMERCIAL OFFICE SPACE DEMAND; 2006 TO 2030**  
**METRO AREA, SOUTHWEST SUBMARKET, CARVER COUNTY AND CHASKA**  
(In Thousands of Square Feet)

Year	Metro Area		Southwest Submarket		Carver County		Chaska		
	3% Cumulative	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Cumulative Sq. Ft.
2006	55,800								
2007	57,474	1,674	20.0 %	335	10.0 %	33	20.0 %	7	7
2008	59,198	1,724	20.0	345	10.0	34	20.0	7	14
2009	60,974	1,776	20.0	355	10.0	36	20.0	7	21
2010	62,803	1,829	20.0	366	10.0	37	20.0	7	28
2011	64,687	1,884	20.0	377	12.5	47	20.0	9	37
2012	66,628	1,941	20.0	388	12.5	49	20.0	10	47
2013	68,627	1,999	20.0	400	12.5	50	20.0	10	57
2014	70,686	2,059	20.0	412	12.5	51	20.0	10	67
2015	72,806	2,121	20.0	424	12.5	53	20.0	11	78
2016	74,991	2,184	20.0	437	15.0	66	22.5	15	93
2017	77,240	2,250	20.0	450	15.0	67	22.5	15	108
2018	79,557	2,317	20.0	463	15.0	70	22.5	16	124
2019	81,944	2,387	20.0	477	15.0	72	22.5	16	140
2020	84,403	2,458	20.0	492	15.0	74	22.5	17	156
2021	86,935	2,532	20.0	506	17.5	89	22.5	20	176
2022	89,543	2,608	20.0	522	17.5	91	22.5	21	197
2023	92,229	2,686	20.0	537	17.5	94	22.5	21	218
2024	94,996	2,767	20.0	553	17.5	97	22.5	22	240
2025	97,846	2,850	20.0	570	17.5	100	22.5	22	262
2026	100,781	2,935	20.0	587	20.0	117	22.5	26	289
2027	103,804	3,023	20.0	605	20.0	121	22.5	27	316
2028	106,919	3,114	20.0	623	20.0	125	22.5	28	344
2029	110,126	3,208	20.0	642	20.0	128	22.5	29	373
2030	113,430	3,304	20.0	661	20.0	132	22.5	30	402
Contingency (25%)									101
Total									503

Source: McComb Group, Ltd.

## Office Showroom Demand

Chaska does not have any office showroom buildings at the present time; however it is a product type that could develop in Chaska in the future. During the period 1986 to 2006, office showroom space in Carver County increased from 68,400 square feet to 239,700 square feet, as shown in Table 4-8. This space has only been developed in Chanhassen to date.

Table 4-8

**CHASKA OFFICE SHOWROOM BUILDINGS**  
**GROSS BUILDING AREA BY FIVE-YEAR PERIOD**  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1986-2006 Increase
<b>CARVER COUNTY</b>						
Total Space	68.4	124.4	139.7	195.6	239.7	
Total Net Absorption		56.0	15.3	55.9	44.1	171.3

Source: McComb Group, Ltd.

Future office showroom space demand is shown in Table 4-9. Metropolitan Area office showroom space is estimated to continue to increase at about two percent annually with the southwest area capturing 25 percent. Carver County is estimated to capture an increasing share of the Metro Area increase, beginning at 7.0 percent in 2007 and increasing to 20.0 percent by 2026. Chaska is expected to capture a modest amount of the Carver County

Table 4-9

**FUTURE OFFICE SHOWROOM SPACE DEMAND; 2006 TO 2030**  
**METRO AREA, SOUTHWEST SUBMARKET, CARVER COUNTY AND CHASKA**  
(In Thousands of Square Feet)

Year	Metro Area		Southwest Submarket		Carver County		Chaska		
	2% Cumulative	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Cumulative Sq. Ft.
2006	17,074								
2007	17,415	341	25.0 %	85	7.0 %	6	%	-	-
2008	17,764	348	25.0	87	7.0	6		-	-
2009	18,119	355	25.0	89	7.0	6		-	-
2010	18,481	362	25.0	91	10.0	9		-	-
2011	18,851	370	25.0	92	10.0	9	10.0	1	1
2012	19,228	377	25.0	94	10.0	9	10.0	1	2
2013	19,613	385	25.0	96	10.0	10	10.0	1	3
2014	20,005	392	25.0	98	10.0	10	10.0	1	4
2015	20,405	400	25.0	100	10.0	10	10.0	1	5
2016	20,813	408	25.0	102	12.5	13	10.0	1	6
2017	21,229	416	25.0	104	12.5	13	10.0	1	7
2018	21,654	425	25.0	106	12.5	13	10.0	1	9
2019	22,087	433	25.0	108	12.5	14	10.0	1	10
2020	22,529	442	25.0	110	12.5	14	10.0	1	11
2021	22,979	451	25.0	113	15.0	17	10.0	2	13
2022	23,439	460	25.0	115	15.0	17	10.0	2	15
2023	23,908	469	25.0	117	15.0	18	10.0	2	17
2024	24,386	478	25.0	120	15.0	18	10.0	2	18
2025	24,874	488	25.0	122	15.0	18	10.0	2	20
2026	25,371	497	25.0	124	20.0	25	15.0	4	24
2027	25,878	507	25.0	127	20.0	25	15.0	4	28
2028	26,396	518	25.0	129	20.0	26	15.0	4	32
2029	26,924	528	25.0	132	20.0	26	15.0	4	36
2030	27,462	538	25.0	135	20.0	27	15.0	4	40
Contingency (25%)									10
Total									50

Source: McComb Group, Ltd.

office showroom space. No absorption is planned for the period 2007 to 2010. Office showroom absorption is estimated at ten percent annually starting in 2010, increasing to 15 percent in 2026. Initial absorption begins at 1,000 square feet per year in 2011 and does not reach 4,000 square feet per year until 2026. This indicates that office showroom development is likely to be relatively modest over the next 23 years. Total office showroom development is estimated at 50,000 square feet, including a 10,000 square foot contingency, or about two 25,000 square foot developments.

## Summary

Total business park space demand for 2008 through 2030 is estimated at over 3.0 million square feet, as shown in Table 4-10. A contingency of 25 percent (760,000 square feet) has been provided for two reasons: 1) Chaska's growth will not end in 2030; and 2) the contingency space will provide for the possibility that demand for business park space exceeds the baseline estimates. These estimates of business park space are designed to provide an estimate of total space to be needed by 2030. Demand for individual categories of development may vary from the individual estimates.

Table 4-10  
CHASKA ESTIMATED BUSINESS PARK SPACE DEMAND; 2008 TO 2030  
(In Thousands of Square Feet)

Category	Estimated Demand	Contingency 25%	Total
Office Warehouse/Industrial	2,406	601	3,007
Commercial Office	402	101	503
Office Showroom	40	10	50
Bulk Warehouse	192	48	240
Total	3,040	760	3,800

Source: McComb Group, Ltd.

Estimated business park land demand for 2008 to 2030 is contained in Table 4-11. Land demand is estimated by dividing the estimated space demand by the amount of building area that can be placed on an acre of land. Commercial office, which has the highest parking demand, is estimated at 12,500 square feet per acre. The other building categories are estimated at 15,000 square feet per acre. This results in an estimated 261 acres of land necessary to accommodate the estimated growth of roughly 3.8 million square feet.

Table 4-11  
CHASKA ESTIMATED BUSINESS PARK LAND DEMAND; 2008 TO 2030

Category	Square Feet (000)	Square Feet Per Acre	Acres
Office Warehouse/Industrial	3,007	15,000	200
Commercial Office	503	12,500	41
Office Showroom	50	15,000	3
Bulk Warehouse	240	15,000	16
Total	3,800		261

Source: McComb Group, Ltd.

## Chapter 5

### COLOGNE BUSINESS PARK DEVELOPMENT POTENTIAL

Future business park development potential in Cologne will be related to growth in the Metropolitan Area and the portion that is likely to be captured in Carver County. Cologne is expected to capture a portion of the Carver County growth. This chapter addresses the demand for office warehouse/industrial, commercial office, office showroom, and bulk warehouse space. These categories include both single tenant buildings and multi-tenant developments, and are the building types that generally locate in suburban business parks. Actual demand will depend on suitable available land, marketing incentives, and developer or tenant interest.

#### Existing Business Park Development

Cologne’s existing business park uses consist of office warehouse/industrial and bulk warehouse buildings, and total over 121,500 square feet and occupy 29 acres. Office warehouse/industrial is the largest category with over 73,000 square feet of gross leasable area, as shown in Table 5-1. Cologne presently has no office showroom or commercial office space.

Table 5-1

COLOGNE BUSINESS PARK AND LAND; 1986 TO 2006  
MULTI-TENANT AND SINGLE TENANT BUILDINGS  
(Square Feet and Acres)

Category	Pre-1986 Sq. Feet	1986-1991 Sq. Feet	1992-1996 Sq. Feet	1997-2001 Sq. Feet	2002-2006 Sq. Feet	Gross Building Area	Land (acres)
<b>Office Warehouse/Industrial</b>							
Multi-Tenant	-	-	-	-	-	-	-
Single Tenant	59,772	11,040	-	2,400	-	73,212	5.0
Subtotal	59,772	11,040	-	2,400	-	73,212	5.0
<b>Bulk Warehouse</b>							
Multi-Tenant	-	-	-	-	-	-	-
Single Tenant	27,266	-	7,980	7,656	5,400	48,302	24.0
Subtotal	27,266	-	7,980	7,656	5,400	48,302	24.0
<b>Total</b>	87,038	11,040	7,980	10,056	5,400	121,514	29.0

Source: Carver County and McComb Group, Ltd.

#### Office Warehouse/Industrial Demand

The office warehouse/industrial category also includes office research, office manufacturing, and other types of similar uses. Cologne’s office warehouse/industrial absorption for the period 1986 to 2006 for multi-tenant buildings and single tenant buildings is contained in Table 5-2. Office warehouse/industrial buildings totaled 73,200 square feet in 2006, an increase of 12,400 square feet from 59,800 in 1986. Cologne had a net absorption of 13,400 square feet of office warehouse/industrial space between 1986 and 2006, which represented less than 1.0 percent of Carver County’s net absorption for the same time period.

Table 5-2

**COLOGNE OFFICE WAREHOUSE/INDUSTRIAL BUILDINGS**  
**GROSS BUILDING AREA BY FIVE-YEAR PERIOD**  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1991-2006 Increase
<b>CARVER COUNTY</b>						
Total Space	1,373.3	2,327.6	3,155.0	4,356.9	4,629.5	
Total Net Absorption		954.3	827.4	1,201.9	272.6	3,256.2
<b>COLOGNE</b>						
Total Space	59.8	70.8	70.8	73.2	73.2	
Net Absorption		11.0	-	2.4	-	13.4
Percent of Carver		1.2 %	- %	0.2 %	- %	0.4 %

Source: Carver County and McComb Group, Ltd.

Future office warehouse/industrial demand in Cologne is based on estimated market share from 2007 to 2030. Cologne has experienced limited office warehouse/industrial development in the past 20 years.

Table 5-3

**FUTURE OFFICE WAREHOUSE/INDUSTRIAL SPACE DEMAND; 2006 TO 2030**  
**METRO AREA, SOUTHWEST SUBMARKET, CARVER COUNTY AND COLOGNE**  
(In Thousands of Square Feet)

Year	Metro Area		Southwest Submarket		Carver County		Cologne		
	5% Cumulative	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Cumulative Sq. Ft.
2006	48,416								
2007	50,837	2,421	8.5 %	206	62.5 %	129	- %	-	-
2008	53,379	2,542	8.5	216	62.5	135	-	-	-
2009	56,048	2,669	8.5	227	62.5	142	-	-	-
2010	58,850	2,802	8.5	238	62.5	149	-	-	-
2011	61,792	2,942	8.5	250	65.0	163	1.0	2	2
2012	64,882	3,090	8.5	263	65.0	171	1.0	2	3
2013	68,126	3,244	8.5	276	65.0	179	1.0	2	5
2014	71,532	3,406	8.5	290	65.0	188	1.0	2	7
2015	75,109	3,577	8.5	304	65.0	198	1.0	2	9
2016	78,865	3,755	8.5	319	67.5	215	1.0	2	11
2017	82,808	3,943	8.5	335	67.5	226	1.0	2	13
2018	86,948	4,140	8.5	352	67.5	238	1.0	2	16
2019	91,296	4,347	8.5	370	67.5	249	1.0	2	18
2020	95,860	4,565	8.5	388	67.5	262	1.0	3	21
2021	100,653	4,793	8.5	407	70.0	285	1.5	4	25
2022	105,686	5,033	8.5	428	70.0	299	1.5	4	30
2023	110,970	5,284	8.5	449	70.0	314	1.5	5	34
2024	116,519	5,549	8.5	472	70.0	330	1.5	5	39
2025	122,345	5,826	8.5	495	70.0	347	1.5	5	45
2026	128,462	6,117	8.5	520	72.5	377	1.5	6	50
2027	134,885	6,423	8.5	546	72.5	396	1.5	6	56
2028	141,629	6,744	8.5	573	72.5	416	1.5	6	62
2029	148,711	7,081	8.5	602	72.5	436	1.5	7	69
2030	156,146	7,436	8.5	632	72.5	458	1.5	7	76
Contingency (25%)									19
Total									95

Source: McComb Group, Ltd.

For purposes of this analysis, Metro Area office warehouse/industrial market is expected to grow at a rate of five percent annually, as shown in Table 5-3. Over the past 20 years, Carver County has absorbed about 70 percent of the southwest area office warehouse/industrial development. Based on past performance, the southwest growth corridor is estimated to capture 8.5 percent of the Metropolitan Area increase in office warehouse/industrial space. Carver County is expected to get an increasing share of the southwest growth corridor increase, starting at 62.5 percent in 2007, increasing to 65.0 percent in 2011, 67.5 percent in 2016, 70.0 percent in 2021, and 72.5 percent in 2026 through 2030.

Cologne's share of the Carver County absorption is estimated at 1.0 percent for the period 2011 to 2020, increasing to 1.5 percent through 2030. The increase in office warehouse\industrial demand for Cologne over the next 25 years is estimated at over 95,000 square feet, including a 25 percent contingency of 19,000 square feet.

### Bulk Warehouse Demand

Single-tenant buildings represent 100 percent of Cologne's bulk warehouse space. Between 1986 and 2006, over 2.2 million square feet of bulk warehouse space was absorbed in Carver County. Cologne captured 1.0 percent of Carver County's bulk warehouse absorption, or 21,100 square feet as shown in Table 5-4.

Table 5-4  
COLOGNE BULK WAREHOUSE BUILDINGS  
GROSS BUILDING AREA BY FIVE-YEAR PERIOD  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1991-2006 Increase
<b>CARVER COUNTY</b>						
Total Space	2,218.9	3,212.7	3,772.3	4,069.6	4,421.2	
Total Net Absorption		993.8	559.6	297.3	351.6	2,202.3
<b>COLOGNE</b>						
Total Space	27.3	27.3	35.3	43.0	48.4	
Net Absorption		-	8.0	7.7	5.4	21.1
Percent of Carver		- %	1.4 %	2.6 %	1.5 %	1.0 %

Source: Carver County and McComb Group, Ltd.

Bulk warehouse absorption is estimated to increase at 3.5 percent between 2006 and 2030. The southwest area is estimated to capture 7.0 percent in 2007 decreasing to 50 percent in 2026. Carver County is estimated to capture 37.0 percent of the southwest area absorption, as shown in Table 5-5. Bulk warehouse absorption in Cologne is estimated at 1.5 percent per year starting in 2011 through 2020. Absorption increases to 2.5 percent in 2021 through 2025 and further increases to 5.5 percent per year over the next five years. This results in an estimated 10,000 additional square feet of bulk warehouse space with an additional 3,000 square feet for contingency, resulting in a total estimated increase of 13,000 square feet of bulk warehouse space.

Table 5-5

FUTURE BULK WAREHOUSE SPACE DEMAND; 2006 TO 2030  
METRO AREA, SOUTHWEST SUBMARKET, CARVER COUNTY AND COLOGNE  
(In Thousands of Square Feet)

Year	Metro Area		Southwest Submarket		Carver County		Cologne		
	3.5% Cumulative	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Cumulative Sq. Ft.
2006	14,985								
2007	15,509	524	7.0 %	37	37.0 %	14	- %	-	-
2008	16,052	543	7.0	38	37.0	14	-	-	-
2009	16,614	562	7.0	39	37.0	15	-	-	-
2010	17,196	581	7.0	41	37.0	15	-	-	-
2011	17,797	602	6.5	39	37.0	14	1.5	0	0
2012	18,420	623	6.5	40	37.0	15	1.5	0	0
2013	19,065	645	6.5	42	37.0	16	1.5	0	1
2014	19,732	667	6.5	43	37.0	16	1.5	0	1
2015	20,423	691	6.5	45	37.0	17	1.5	0	1
2016	21,138	715	6.0	43	37.0	16	1.5	0	1
2017	21,878	740	6.0	44	37.0	16	1.5	0	2
2018	22,643	766	6.0	46	37.0	17	1.5	0	2
2019	23,436	793	6.0	48	37.0	18	1.5	0	2
2020	24,256	820	6.0	49	37.0	18	1.5	0	2
2021	25,105	849	5.5	47	37.0	17	2.5	0	3
2022	25,984	879	5.5	48	37.0	18	2.5	0	3
2023	26,893	909	5.5	50	37.0	19	2.5	0	4
2024	27,834	941	5.5	52	37.0	19	2.5	0	4
2025	28,809	974	5.5	54	37.0	20	2.5	0	5
2026	29,817	1,008	5.0	50	37.0	19	5.5	1	6
2027	30,861	1,044	5.0	52	37.0	19	5.5	1	7
2028	31,941	1,080	5.0	54	37.0	20	5.5	1	8
2029	33,059	1,118	5.0	56	37.0	21	5.5	1	9
2030	34,216	1,157	5.0	58	37.0	21	5.5	1	10
Contingency (25%)									3
Total									13

Source: McComb Group, Ltd.

## Commercial Office Demand

Commercial office in this analysis includes multi-tenant and single tenant office buildings. The real estate industry maintains databases for multi-tenant buildings, since that is where most of the leasing activity occurs. There is not a similar database for single tenant buildings. Commercial office space in Carver County is summarized below in Table 5-6.

Table 5-6

COLOGNE COMMERCIAL OFFICE BUILDINGS  
GROSS BUILDING AREA BY FIVE-YEAR PERIOD  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1991-2006 Increase
<b>CARVER COUNTY</b>						
Total Space	282.9	718.2	801.0	922.5	1,033.7	
Total Net Absorption		435.27	82.80	121.50	111.20	750.77

Source: Carver County and McComb Group, Ltd.

Currently there is no commercial office space in Cologne. Future estimates do not include any further absorption of commercial office space in Cologne through the year 2030.

### Office Showroom Demand

Cologne does not have any office showroom development at the present time and is not expected to attract this type of development in the future. During the period 1986 to 2006, office showroom space in Carver County increased from 68,400 square feet to 239,700 square feet, as shown in Table 5-7. All this space has been developed in Chanhassen to date.

Table 5-7

COLOGNE OFFICE SHOWROOM BUILDINGS  
GROSS BUILDING AREA BY FIVE-YEAR PERIOD  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1991-2006 Increase
<b>CARVER COUNTY</b>						
Total Space	68.4	124.4	139.7	195.6	239.7	
Total Net Absorption		56.0	15.3	55.9	44.1	171.3

Source: Carver County and McComb Group, Ltd.

Cologne is not expected to attract office showroom space in the foreseeable future. If demand for this type of space does occur, it is likely to be occupied by retail stores or service establishments. Demand for these businesses is included in the retail space estimate for Cologne.

### Summary

Total business park space demand for 2008 through 2030 is estimated at over 86,000 square feet, as shown in Table 5-8. A contingency of 25 percent (22,000 square feet) has been provided for two reasons: 1) Cologne's growth will not end in 2030; and 2) the contingency space will provide for the possibility that demand for business park space exceeds the baseline estimates. These estimates of business park space are designed to provide an estimate of total space to be needed by 2030. Demand for individual categories of development may vary from the individual estimates.

Table 5-8

COLOGNE ESTIMATED BUSINESS PARK SPACE DEMAND; 2008 TO 2030  
(In Thousands of Square Feet)

Category	Estimated Demand	Contingency 25%	Total
Office Warehouse/Industrial	76	19	95
Commercial Office	-	-	-
Office Showroom	-	-	-
Bulk Warehouse	10	3	13
Total	86	22	108

Source: McComb Group, Ltd.

These estimates could be characterized as optimistic and are likely to represent the outside range of base demand for the next 23 years.

Estimated business park land demand for 2008 to 2030 is contained in Table 5-9. Land demand is estimated by dividing the estimated space demand by the amount of building area that can be placed on an acre of land. Commercial office, which has the highest parking demand, is estimated at 12,500 square feet per acre. The other building categories are estimated at 15,000 square feet per acre. This results in an estimated seven acres of land necessary to accommodate the estimated growth of roughly 108,000 square feet.

Table 5-9  
COLOGNE ESTIMATED BUSINESS PARK LAND DEMAND; 2008 TO 2030

Category	Square Feet (000)	Square Feet Per Acre	Acres
Office Warehouse/Industrial	95	15,000	6
Commercial Office	-	12,500	-
Office Showroom	-	15,000	-
Bulk Warehouse	13	15,000	1
Total	108		7

Source: McComb Group, Ltd.

The methodology used in this analysis is based on historic development patterns that may not properly portray development potential in smaller communities. Cologne should consider identifying 10 to 15 additional acres for future business park development so that any potential demand can be accommodated in an orderly manner. This would be enough space to accommodate 120,000 to 180,000 square feet of development.

## Chapter 6

### HAMBURG BUSINESS PARK DEVELOPMENT POTENTIAL

Future business park development potential in Hamburg will be related to growth in the Metropolitan Area and the portion that is likely to be captured in Carver County. Because of Hamburg’s size and proximity to major transportation arteries, it is unlikely that Hamburg will experience significant business park development within the next 23 years. This chapter summarizes the bulk warehouse space currently located in Hamburg. At the present time, there are not office warehouse/industrial, commercial office and office showroom buildings in Hamburg. These categories include both single tenant and multi-tenant developments, and are the building types that generally locate in suburban business parks.

#### Existing Business Park Development

Hamburg’s existing business park uses consist of bulk warehouse buildings that total over 33,500 square feet and occupy eight acres, as shown in Table 6-1. Hamburg presently has no office showroom, office warehouse/industrial or commercial office space.

Table 6-1

HAMBURG BUSINESS PARK AND LAND; 1986 TO 2006  
MULTI-TENANT AND SINGLE TENANT BUILDINGS  
(Square Feet and Acres)

Category	Pre-1986 Sq. Feet	1986-1991 Sq. Feet	1992-1996 Sq. Feet	1997-2001 Sq. Feet	2002-2006 Sq. Feet	Gross Building Area	Land (acres)
<b>Bulk Warehouse</b>							
Multi-Tenant	-	-	-	-	-	-	-
Single Tenant	29,212	-	-	4,360	-	33,572	8.0
<b>Total</b>	29,212	-	-	4,360	-	33,572	8.0

Source: Carver County and McComb Group, Ltd.

#### Office Warehouse/Industrial Demand

The office warehouse/industrial category also includes office research, office manufacturing, and other types of similar uses. Hamburg does not have any office warehouse/industrial buildings at this time. Carver County’s office warehouse/industrial buildings totaled over 4.6 million square feet in 2006, increasing from about 1.4 million square feet in 1986, as shown in Table 6-2. Hamburg is not expected to attract much office warehouse/industrial development in the foreseeable future.

Table 6-2

**HAMBURG OFFICE WAREHOUSE/INDUSTRIAL BUILDINGS**  
**GROSS BUILDING AREA BY FIVE-YEAR PERIOD**  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1991-06 Increase
<b>CARVER COUNTY</b>						
Total Space	1,373.3	2,327.6	3,155.0	4,356.9	4,629.5	
Total Net Absorption		954.3	827.4	1,201.9	272.6	3,256.2

Source: Carver County and McComb Group, Ltd.

### Bulk Warehouse Demand

Single tenant buildings represent all of Hamburg's bulk warehouse space. Between 1986 and 2006, over 2.2 million square feet of bulk warehouse space was absorbed in Carver County, as shown in Table 6-3. Hamburg had 29,200 square feet of bulk warehouse space in 1986 and increased to 33,600 in 2006. During the five-year period ending in 2001, Hamburg absorbed 4,360 square feet, which represented 1.5 percent of Carver County's absorption. Hamburg is not expected to attract much bulk warehouse space in the foreseeable future.

Table 6-3

**HAMBURG BULK WAREHOUSE BUILDINGS**  
**GROSS BUILDING AREA BY FIVE-YEAR PERIOD**  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1991-06 Increase
<b>CARVER COUNTY</b>						
Total Space	2,218.9	3,212.7	3,772.3	4,069.6	4,421.2	
Total Net Absorption	-	993.8	559.6	297.3	351.6	2,202.3
<b>HAMBURG</b>						
Total Space	29.2	29.2	29.2	33.6	33.6	
Net Absorption		-	-	4.4	-	4.4
Percent of Carver		- %	- %	1.5 %	- %	0.2 %

Source: Carver County and McComb Group, Ltd.

### Commercial Office Demand

Commercial office in this analysis includes multi-tenant and single tenant office buildings. Commercial office space in Carver County is summarized in Table 6-4. There is no commercial office space in Hamburg at the present time, and Hamburg is unlikely to experience this type of development in the foreseeable future.

Table 6-4

**HAMBURG COMMERCIAL OFFICE BUILDINGS**  
**GROSS BUILDING AREA BY FIVE-YEAR PERIOD**  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1986-06 Increase
<b>CARVER COUNTY</b>						
Total Spae	282.9	718.2	801.0	922.5	1,033.7	
Total Net Absorption		435.27	82.80	121.50	111.20	750.77

Source: Carver County and McComb Group, Ltd.

### Office Showroom Demand

Hamburg does not have any office showroom development at the present time. During the period 1986 to 2006, office showroom space in Carver County increased from 68,400 square feet to 239,700 square feet, as shown in Table 6-5. This type of space has only been developed in Chanhassen to date. Hamburg is not expected to attract office showroom development in the foreseeable future.

Table 6-5

**HAMBURG OFFICE SHOWROOM BUILDINGS**  
**GROSS BUILDING AREA BY FIVE-YEAR PERIOD**  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1986-06 Increase
<b>CARVER COUNTY</b>						
Total Space	68.4	124.4	139.7	195.6	239.7	
Total Net Absorption		56.0	15.3	55.9	44.1	171.3

Source: Carver County and McComb Group, Ltd.

### Summary

Hamburg has experienced only 4,360 square feet of business park development over the past 20 years. Hamburg's location and proximity to major transportation routes indicates that significant new business park development is unlikely within the next 23 years. The methodology used in this analysis is based on historic development patterns that may not properly portray development potential in smaller communities. Hamburg should consider identifying 10 to 15 acres for future business park development so that any potential demand can be accommodated in an orderly manner. This would be enough space to accommodate 120,000 to 180,000 square feet of development.

## Chapter 7

### MAYER BUSINESS PARK DEVELOPMENT POTENTIAL

Future business park development potential in Mayer will be related to growth in the Metropolitan Area and the portion that is likely to be captured in Carver County. Mayer can be expected to capture a portion of the Carver County growth. This chapter addresses the demand for office warehouse/industrial, commercial office, office showroom, and bulk warehouse. These categories include both single tenant buildings and multi-tenant developments, and are the building types that generally locate in suburban business parks. Actual demand will depend on suitable available land, marketing incentives, and developer or tenant interest.

#### Existing Business Park Development

Mayer's existing business park uses consist of office warehouse/industrial, commercial office and bulk warehouse buildings, and total over 161,500 square feet and occupy 25 acres. Bulk warehouse is the largest category with over 93,400 square feet of gross leasable area, as shown in Table 7-1. Mayer presently has no office showroom space.

Table 7-1

MAYER BUSINESS PARK AND LAND; 1986 TO 2006  
MULTI-TENANT AND SINGLE TENANT BUILDINGS  
(Square Feet and Acres)

<u>Category</u>	<u>Pre-1986 Sq. Feet</u>	<u>1986-1991 Sq. Feet</u>	<u>1992-1996 Sq. Feet</u>	<u>1997-2001 Sq. Feet</u>	<u>2002-2006 Sq. Feet</u>	<u>Gross Building Area</u>	<u>Land (acres)</u>
<b>Commercial Office</b>							
Multi-Tenant	-	-	-	-	-	-	-
Single Tenant	660	-	-	-	-	660	1.0
Subtotal	660	-	-	-	-	660	1.0
<b>Office Warehouse/Industrial</b>							
Multi-Tenant	-	-	-	4,480	-	4,480	1.0
Single Tenant	-	-	-	47,520	15,440	62,960	8.0
Subtotal	-	-	-	52,000	15,440	67,440	9.0
<b>Bulk Warehouse</b>							
Multi-Tenant	-	-	-	-	30,210	30,210	1.0
Single Tenant	6,084	-	-	57,120	-	63,204	14.0
Subtotal	6,084	-	-	57,120	30,210	93,414	15.0
<b>Total</b>	6,744	-	-	109,120	45,650	161,514	25.0

Source: Carver County and McComb Group, Ltd.

## Office Warehouse/Industrial Demand

The office warehouse/industrial category also includes office research, office manufacturing, and other types of similar uses. Mayer's office warehouse/industrial absorption for the period 1986 to 2006 for multi-tenant buildings and single tenant buildings is contained in Table 7-2. Office warehouse/industrial buildings totaled over 67,400 square feet in 2006, an increase from 52,000 in 2001. Mayer office warehouse/industrial space represented about 4.6 percent of Carver County office warehouse/industrial space during the period 1996 to 2006. Mayer had a net absorption of 67,400 square feet of office warehouse space between 1986 and 2006, which represented over two percent of Carver County's net absorption for the same time period.

Table 7-2

MAYER OFFICE WAREHOUSE/INDUSTRIAL BUILDINGS  
GROSS BUILDING AREA BY FIVE-YEAR PERIOD  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1991-2006 Increase
<b>CARVER COUNTY</b>						
Total Space	1,373.3	2,327.6	3,155.0	4,356.9	4,629.5	
Total Net Absorption		954.3	827.4	1,201.9	272.6	3,256.2
<b>MAYER</b>						
Total Space	-	-	-	52.0	67.4	
Net Absorption		-	-	52.0	15.4	67.4
Percent of Carver		- %	- %	4.3 %	5.6 %	2.1 %

Source: Carver County and McComb Group, Ltd.

Future office warehouse/industrial demand in Mayer is based on estimated market share from 2007 to 2030. Mayer has experienced some office warehouse/industrial development in the last ten years. For purposes of this analysis, Metro Area office warehouse/industrial market is expected to grow at a rate of five percent annually, as shown in Table 7-3. Based on past performance, the southwest growth corridor is estimated to capture 8.5 percent of the Metropolitan Area increase in office warehouse/industrial space. Over the past 16 years, Carver County has absorbed about 70 percent of the Metro Area office warehouse/industrial development. Absorption has slowed recently and averaged 62.5 percent over the past ten years. Carver County is expected to capture a percentage of that increase, starting at 62.5 percent in 2006 and increasing to 65.0 percent in 2011 to 2015, 67.5 percent from 2016 to 2020, 70.0 percent from 2021 to 2025, and 72.5 percent from 2026 to 2030. Mayer's share of the Carver County absorption is estimated at two percent per year for the period 2011 to 2030. The increase in office warehouse/industrial demand for Mayer over the next 23 years is estimated at over 144,000 square feet, including a 25 percent contingency of 29,000 square feet.

Table 7-3

FUTURE OFFICE WAREHOUSE/INDUSTRIAL SPACE DEMAND; 2006 TO 2030  
METRO AREA, SOUTHWEST SUBMARKET, CARVER COUNTY AND MAYER  
(In Thousands of Square Feet)

Year	Metro Area		Southwest Submarket		Carver County		Mayer		
	5% Cumulative	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Cumulative Sq. Ft.
2006	48,416								
2007	50,837	2,421	8.5 %	206	62.5 %	129	- %	-	-
2008	53,379	2,542	8.5	216	62.5	135	-	-	-
2009	56,048	2,669	8.5	227	62.5	142	-	-	-
2010	58,850	2,802	8.5	238	62.5	149	-	-	-
2011	61,792	2,942	8.5	250	65.0	163	2.0	3	3
2012	64,882	3,090	8.5	263	65.0	171	2.0	3	7
2013	68,126	3,244	8.5	276	65.0	179	2.0	4	10
2014	71,532	3,406	8.5	290	65.0	188	2.0	4	14
2015	75,109	3,577	8.5	304	65.0	198	2.0	4	18
2016	78,865	3,755	8.5	319	67.5	215	2.0	4	22
2017	82,808	3,943	8.5	335	67.5	226	2.0	5	27
2018	86,948	4,140	8.5	352	67.5	238	2.0	5	32
2019	91,296	4,347	8.5	370	67.5	249	2.0	5	37
2020	95,860	4,565	8.5	388	67.5	262	2.0	5	42
2021	100,653	4,793	8.5	407	70.0	285	2.0	6	47
2022	105,686	5,033	8.5	428	70.0	299	2.0	6	53
2023	110,970	5,284	8.5	449	70.0	314	2.0	6	60
2024	116,519	5,549	8.5	472	70.0	330	2.0	7	66
2025	122,345	5,826	8.5	495	70.0	347	2.0	7	73
2026	128,462	6,117	8.5	520	72.5	377	2.0	8	81
2027	134,885	6,423	8.5	546	72.5	396	2.0	8	89
2028	141,629	6,744	8.5	573	72.5	416	2.0	8	97
2029	148,711	7,081	8.5	602	72.5	436	2.0	9	106
2030	156,146	7,436	8.5	632	72.5	458	2.0	9	115
Contingency (25%)									29
Total									144

Source: McComb Group, Ltd.

## Bulk Warehouse Demand

Between 1986 and 2006, over 2.2 million square feet of bulk warehouse space was absorbed in Carver County. Mayer captured 4.0 percent of Carver County's bulk warehouse absorption, or 87,300 square feet as shown in Table 7-4. This absorption occurred during the last ten years and represented 13.5 percent of the county absorption. Single tenant buildings represent over two-thirds of Mayer's bulk warehouse space.

Table 7-4

MAYER BULK WAREHOUSE BUILDINGS  
GROSS BUILDING AREA BY FIVE-YEAR PERIOD  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1991-2006 Increase
<b>CARVER COUNTY</b>						
Total Space	2,218.9	3,212.7	3,772.3	4,069.6	4,421.2	
Total Net Absorption		993.8	559.6	297.3	351.6	2,202.3
<b>MAYER</b>						
Total Space	6.1	6.1	6.1	63.2	93.4	
Net Absorption		-	-	57.1	30.2	87.3
Percent of Carver		- %	- %	19.2 %	8.6 %	4.0 %

Source: Carver County and McComb Group, Ltd.

Bulk warehouse absorption is estimated to increase at 3.5 percent between 2006 and 2030. The southwest growth corridor is expected to capture a decreasing percentage of that growth, starting at 7.0 percent in 2007 and decreasing to 5.0 percent by 2026. Carver County is estimated to capture 37.0 percent of that absorption, as shown in Table 7-5. Bulk warehouse absorption in Mayer is estimated at 10.0 percent per year between 2007 and 2030. This results in an estimated 41,000 additional square feet of bulk warehouse space with an additional 10,000 square feet for contingency, resulting in a total estimated increase of 51,000 square feet of bulk warehouse space.

Table 7-5  
 FUTURE BULK WAREHOUSE SPACE DEMAND; 2006 TO 2030  
 METRO AREA, SOUTHWEST SUBMARKET, CARVER COUNTY AND MAYER  
 (In Thousands of Dollars)

Year	Metro Area		Southwest Submarket		Carver County		Mayer		
	3.5% Cumulative	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Cumulative Sq. Ft.
2006	14,985								
2007	15,509	524	7.0 %	37	37.0 %	14	10.0 %	1	1
2008	16,052	543	7.0	38	37.0	14	10.0	1	3
2009	16,614	562	7.0	39	37.0	15	10.0	1	4
2010	17,196	581	7.0	41	37.0	15	10.0	2	6
2011	17,797	602	6.5	39	37.0	14	10.0	1	7
2012	18,420	623	6.5	40	37.0	15	10.0	1	9
2013	19,065	645	6.5	42	37.0	16	10.0	2	10
2014	19,732	667	6.5	43	37.0	16	10.0	2	12
2015	20,423	691	6.5	45	37.0	17	10.0	2	13
2016	21,138	715	6.0	43	37.0	16	10.0	2	15
2017	21,878	740	6.0	44	37.0	16	10.0	2	17
2018	22,643	766	6.0	46	37.0	17	10.0	2	18
2019	23,436	793	6.0	48	37.0	18	10.0	2	20
2020	24,256	820	6.0	49	37.0	18	10.0	2	22
2021	25,105	849	5.5	47	37.0	17	10.0	2	24
2022	25,984	879	5.5	48	37.0	18	10.0	2	26
2023	26,893	909	5.5	50	37.0	19	10.0	2	27
2024	27,834	941	5.5	52	37.0	19	10.0	2	29
2025	28,809	974	5.5	54	37.0	20	10.0	2	31
2026	29,817	1,008	5.0	50	37.0	19	10.0	2	33
2027	30,861	1,044	5.0	52	37.0	19	10.0	2	35
2028	31,941	1,080	5.0	54	37.0	20	10.0	2	37
2029	33,059	1,118	5.0	56	37.0	21	10.0	2	39
2030	34,216	1,157	5.0	58	37.0	21	10.0	2	41
Contingency (25%)									10
Total									51

Source: McComb Group, Ltd.

## Commercial Office Demand

Commercial office in this analysis includes multi-tenant and single tenant office buildings. Commercial office space in Carver County and Mayer are summarized in Table 7-6. Commercial office space in Mayer has not increased in over 20 years. Single-tenant commercial office space represented 100 percent of Mayer's commercial office space with 660 square feet.

Mayer's location, community size and past absorption indicate that it is unlikely that commercial office will be developed in the foreseeable future.

Table 7-6

**MAYER COMMERCIAL OFFICE BUILDINGS**  
**GROSS BUILDING AREA BY FIVE-YEAR PERIOD**  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1991-2006 Increase
<b>CARVER COUNTY</b>						
Total Space	282.9	718.2	801.0	922.5	1,033.7	
Total Net Absorption		435.27	82.80	121.50	111.20	750.77
<b>MAYER</b>						
Total	0.66	0.66	0.66	0.66	0.66	
Net Absorption		-	-	-	-	-
Percent of Carver		- %	- %	- %	- %	-

Source: Carver County and McComb Group, Ltd.

### Office Showroom Demand

Mayer does not have any office showroom development at the present time. During the 20-year period 1986 to 2006, office showroom space in Carver County increased from 68,400 square feet to 239,700 square feet, as shown in Table 7-7. All space was developed in Chanhassen. Mayer is not expected to experience office showroom development in the foreseeable future.

Table 7-7

**MAYER OFFICE SHOWROOM BUILDINGS**  
**GROSS BUILDING AREA BY FIVE-YEAR PERIOD**  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1991-2006 Increase
<b>CARVER COUNTY</b>						
Total Space	68.4	124.4	139.7	195.6	239.7	
Total Net Absorption		56.0	15.3	55.9	44.1	171.3

Source: Carver County and McComb Group, Ltd.

### Summary

Total business park space demand for 2008 through 2030 is estimated at 156,000 square feet, as shown in Table 7-8. A contingency of 25 percent (39,000 square feet) has been provided for two reasons: 1) Mayer's growth will not end in 2030; and 2) the contingency space will provide for the possibility that demand for business park space exceeds the baseline estimates. These estimates of business park space are designed to provide an estimate of total space to be needed by 2030. Demand for individual categories of development may vary from the individual estimates.

Table 7-8

MAYER ESTIMATED BUSINESS PARK SPACE DEMAND; 2008 TO 2030  
(In Thousands of Square Feet)

Category	Estimated Demand	Contingency 25%	Total
Office Warehouse/Industrial	115	29	144
Commercial Office	-	-	-
Office Showroom	-	-	-
Bulk Warehouse	41	10	51
Total	156	39	195

Source: McComb Group, Ltd.

Estimated business park land demand for 2008 to 2030 is contained in Table 7-9. Land demand is estimated by dividing the estimated space demand by the amount of building area that can be placed on an acre of land. Commercial office, which has the highest parking demand, is estimated at 12,500 square feet per acre. The other building categories are estimated at 15,000 square feet per acre. This results in an estimated 14 acres of land necessary to accommodate the estimated growth of roughly 195,000 square feet.

Table 7-9

MAYER ESTIMATED BUSINESS PARK LAND DEMAND; 2008 TO 2030

Category	Square Feet (000)	Square Feet Per Acre	Acres
Office Warehouse/Industrial	144	15,000	10
Commercial Office	-	12,500	-
Office Showroom	-	15,000	-
Bulk Warehouse	51	15,000	4
Total	195		14

Source: McComb Group, Ltd.

The methodology used in this analysis is based on historic development patterns that may not properly portray development potential in smaller communities. Mayer should consider identifying 5 to 10 additional acres for future business park development so that any potential demand can be accommodated in an orderly manner. This would be enough space to accommodate 60,000 to 120,000 square feet of development.

## Chapter 8

### NEW GERMANY BUSINESS PARK DEVELOPMENT POTENTIAL

Future business park development potential in New Germany will be related to growth in the Metropolitan Area and the portion that is likely to be captured in Carver County. Because of New Germany's size and proximity to major transportation arteries, it is unlikely that New Germany will experience significant business park development within the next 23 years. This chapter summarizes the office warehouse/industrial and bulk warehouse space currently located in New Germany and addresses the demand for additional space. These categories include both single tenant buildings and multi-tenant developments, and are the building types that generally locate in suburban business parks.

#### Existing Business Park Development

New Germany's existing business park uses consist of office warehouse/industrial and bulk warehouse buildings that total over 43,600 square feet and occupy 20 acres. Bulk warehouse is the largest category with over 35,500 square feet of gross leasable area, as shown in Table 8-1. New Germany presently has no office showroom or commercial office space.

Table 8-1

NEW GERMANY BUSINESS PARK AND LAND; 1986 TO 2006  
MULTI-TENANT AND SINGLE TENANT BUILDINGS  
(Square Feet and Acres)

Category	Pre-1986 Sq. Feet	1986-1991 Sq. Feet	1992-1996 Sq. Feet	1997-2001 Sq. Feet	2002-2006 Sq. Feet	Gross Building Area	Land (acres)
<b>Office Warehouse/Industrial</b>							
Multi-Tenant	-	-	-	-	-	-	-
Single Tenant	6,380	-	-	-	1,728	8,108	12.0
Subtotal	6,380	-	-	-	1,728	8,108	12.0
<b>Bulk Warehouse</b>							
Multi-Tenant	-	-	-	-	-	-	-
Single Tenant	35,560	-	-	-	-	35,560	8.0
Subtotal	35,560	-	-	-	-	35,560	8.0
<b>Total</b>	41,940	-	-	-	1,728	43,668	20.0

Source: Carver County and McComb Group, Ltd.

#### Office Warehouse/Industrial Demand

The office warehouse/industrial category also includes office research, office manufacturing, and other types of similar uses. New Germany office warehouse/industrial absorption for the period 1986 to 2006 for multi-tenant buildings and single tenant buildings is contained in Table 8-2. Office warehouse/industrial buildings totaled 8,100 square feet in 2006, increasing from 6,400 square feet in 1986 indicating net absorption of 1,700 square feet, which represented less than

one percent of Carver County's net absorption for the same time period. Currently, there is no single-tenant office warehouse/industrial space located in New Germany.

Table 8-2

NEW GERMANY OFFICE WAREHOUSE/INDUSTRIAL BUILDINGS  
GROSS BUILDING AREA BY FIVE-YEAR PERIOD  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1991-06 Increase
<b>CARVER COUNTY</b>						
Total Space	1,373.3	2,327.6	3,155.0	4,356.9	4,629.5	
Total Net Absorption		954.3	827.4	1,201.9	272.6	3,256.2
<b>NEW GERMANY</b>						
Total Space	6.4	6.4	6.4	6.4	8.1	-
Net Absorption	-	-	-	-	1.7	1.7
Percent of Carver	- %	- %	- %	- %	0.6 %	0.1 %

Source: Carver County and McComb Group, Ltd.

New Germany, due to its location, size and past absorption, is not expected to attract significant office warehouse/industrial development in the foreseeable future.

### Bulk Warehouse Demand

Single-tenant buildings represent all of New Germany's bulk warehouse space. Between 1986 and 2006, over 2.2 million square feet of bulk warehouse space was absorbed in Carver County. New Germany had 35,600 square feet of bulk warehouse space in 1986, as shown in Table 8-3. There has been no bulk warehouse development in New Germany for the past 20 years. As a result, New Germany is not expected to attract significant bulk warehouse space in the foreseeable future.

Table 8-3

NEW GERMANY BULK WAREHOUSE BUILDINGS  
GROSS BUILDING AREA BY FIVE-YEAR PERIOD  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1991-06 Increase
<b>CARVER COUNTY</b>						
Total Space	2,218.9	3,212.7	3,772.3	4,069.6	4,421.2	
Total Net Absorption		993.8	559.6	297.3	351.6	2,202.3
<b>NEW GERMANY</b>						
Total	35.6	35.6	35.6	35.6	35.6	
Net Absorption		-	-	-	-	-
Percent of Carver		- %	- %	- %	- %	- %

Source: Carver County and McComb Group, Ltd.

## Commercial Office Demand

Commercial office in this analysis includes multi-tenant and single tenant office buildings. Commercial office space in Carver County is summarized in Table 8-4. Due to its location, size and past absorption, New Germany is not expected to experience commercial office development in the near future.

Table 8-4

NEW GERMANY COMMERCIAL OFFICE BUILDINGS  
GROSS BUILDING AREA BY FIVE-YEAR PERIOD  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1986-06 Increase
<b>CARVER COUNTY</b>						
Total Space	282.9	718.2	801.0	922.5	1,033.7	
Total Net Absorption	-	435.27	82.80	121.50	111.20	750.77
Percent of Southwest	- %	25.4 %	3.8 %	11.0 %	N/A %	15.3

Source: Carver County and McComb Group, Ltd.

## Office Showroom Demand

New Germany does not have any office showroom buildings at the present time. During the period 1986 to 2006, office showroom space in Carver County increased from 68,400 square feet to 239,700 square feet, as shown in Table 8-5. Office showroom space has only been developed in Chanhassen. New Germany is not likely to experience office showroom development in the near future.

Table 8-5

NEW GERMANY OFFICE SHOWROOM BUILDINGS  
GROSS BUILDING AREA BY FIVE-YEAR PERIOD  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1986-06 Increase
<b>CARVER COUNTY</b>						
Total Space	68.4	124.4	139.7	195.6	239.7	
Total Net Absorption	-	56.0	15.3	55.9	44.1	171.3

Source: Carver County and McComb Group, Ltd.

## Summary

New Germany has experienced only 1,728 square feet of business park development over the past 20 years. New Germany's location and proximity to major transportation routes indicates that significant new business park development is unlikely within the next 23 years. The methodology used in this analysis is based on historic development patterns that may not properly portray development potential in smaller communities. New Germany should consider identifying 10 to 15 acres for future business park development so that any potential demand can be accommodated in an orderly manner. This would be enough space to accommodate about 120,000 to 180,000 square feet of development.

## Chapter 9

### NORWOOD YOUNG AMERICA BUSINESS PARK DEVELOPMENT POTENTIAL

Future business park development potential in Norwood Young America will be related to growth in the Metropolitan Area and the portion that is likely to be captured in Carver County. Norwood Young America can be expected to capture a portion of the Carver County growth. This chapter addresses the demand for office warehouse/industrial, commercial office, office showroom, and bulk warehouse space. These categories include both single tenant buildings and multi-tenant developments, and are the building types that generally locate in suburban business parks. Actual demand will depend on suitable available land, marketing incentives, and developer or tenant interest.

#### Existing Business Park Development

Norwood Young America's existing business park uses consist of office warehouse/industrial, commercial office and bulk warehouse buildings, and total over 355,000 square feet occupying 31 acres. Office warehouse/industrial is the largest category with over 175,000 square feet of gross leasable area, as shown in Table 9-1. Norwood Young America presently has no office showroom space.

Table 9-1  
NORWOOD YOUNG AMERICA BUSINESS PARK AND LAND; 1986 TO 2006  
MULTI-TENANT AND SINGLE TENANT BUILDINGS  
(Square Feet and Acres)

Category	Pre-1986 Sq. Feet	1986-1991 Sq. Feet	1992-1996 Sq. Feet	1997-2001 Sq. Feet	2002-2006 Sq. Feet	Gross Building Area	Land (acres)
<b>Commercial Office</b>							
Multi-Tenant	7,216	-	-	-	-	7,216	1.0
Single Tenant	1,860	10,000	-	-	-	11,860	1.0
Subtotal	9,076	10,000	-	-	-	19,076	2.0
<b>Office Warehouse/Industrial</b>							
Multi-Tenant	-	-	-	-	-	-	-
Single Tenant	81,460	79,830	-	-	14,500	175,790	11.0
Subtotal	81,460	79,830	-	-	14,500	175,790	11.0
<b>Bulk Warehouse</b>							
Multi-Tenant	-	-	-	-	-	-	-
Single Tenant	30,232	49,002	36,087	-	45,660	160,981	18.0
Subtotal	30,232	49,002	36,087	-	45,660	160,981	18.0
<b>Total</b>	120,768	138,832	36,087	-	60,160	355,847	31.0

Source: Carver County and McComb Group, Ltd.

## Office Warehouse/Industrial Demand

The office warehouse/industrial category also includes office research, office manufacturing, and other types of similar uses. Norwood Young America's office warehouse/industrial absorption for the period 1986 to 2006 for multi-tenant buildings and single tenant buildings is contained in Table 9-2. Office warehouse/industrial buildings totaled over 175,800 square feet in 2006, an increase of 94,300 square feet since 1986. Norwood Young America's net absorption of 94,300 square feet of office warehouse space represented 2.9 percent of Carver County's net absorption for the same time period. During the last five years, construction of 14,500 square feet represented 5.3 percent of Carver County's absorption.

Table 9-2

**NORWOOD YOUNG AMERICA OFFICE WAREHOUSE/INDUSTRIAL BUILDINGS  
GROSS BUILDING AREA BY FIVE-YEAR PERIOD**  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1991-2006 Increase
<b>CARVER COUNTY</b>						
Total Space	1,373.3	2,327.6	3,155.0	4,356.9	4,629.5	
Total Net Absorption		954.3	827.4	1,201.9	272.6	3,256.2
<b>NORWOOD YOUNG AMERICA</b>						
Total Space	81.5	161.3	161.3	161.3	175.8	
Net Absorption		79.8	-	-	14.5	94.3
Percent of Carver		8.4 %	- %	- %	5.3 %	2.9 %

Source: Carver County and McComb Group, Ltd.

Future office warehouse/industrial demand in Norwood Young America is based on estimated market share from 2007 to 2030. Norwood Young America has experienced minimal office warehouse/industrial development in the past, primarily in the early 1990's and recently in 2001 to 2006. For purposes of this analysis, Metro Area office warehouse/industrial market is expected to grow at a rate of five percent annually, as shown in Table 9-3. Carver County has absorbed about 62.5 percent of the Metro Area office warehouse/industrial development in the past ten years. Based on past performance, Carver County is estimated to capture 62.5 percent of the southwest submarket increase in office warehouse/industrial space between 2007 and 2010, increasing to 72.5 percent in 2026. Norwood Young America's share of the Carver County absorption is estimated at 2.5 percent for the period 2011 to 2015, increasing to 4.0 percent through 2030. The increase in office warehouse/industrial demand for Norwood Young America over the next 25 years is estimated at over 270,000 square feet, including a 25 percent contingency of 54,000 square feet.

Table 9-3

FUTURE OFFICE WAREHOUSE/INDUSTRIAL SPACE DEMAND; 2006 TO 2030  
METRO AREA, SOUTHWEST SUBMARKET, CARVER COUNTY AND NORWOOD YOUNG AMERICA  
(In Thousands of Square Feet)

Year	Metro Area		Southwest Submarket		Carver County		Norwood Young America		
	5% Cumulative	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Cumulative Sq. Ft.
2006	48,416								
2007	50,837	2,421	8.5 %	206	62.5 %	129	- %	-	-
2008	53,379	2,542	8.5	216	62.5	135	-	-	-
2009	56,048	2,669	8.5	227	62.5	142	-	-	-
2010	58,850	2,802	8.5	238	62.5	149	-	-	-
2011	61,792	2,942	8.5	250	65.0	163	2.5	4	4
2012	64,882	3,090	8.5	263	65.0	171	2.5	4	8
2013	68,126	3,244	8.5	276	65.0	179	2.5	4	13
2014	71,532	3,406	8.5	290	65.0	188	2.5	5	18
2015	75,109	3,577	8.5	304	65.0	198	2.5	5	22
2016	78,865	3,755	8.5	319	67.5	215	4.0	9	31
2017	82,808	3,943	8.5	335	67.5	226	4.0	9	40
2018	86,948	4,140	8.5	352	67.5	238	4.0	10	50
2019	91,296	4,347	8.5	370	67.5	249	4.0	10	60
2020	95,860	4,565	8.5	388	67.5	262	4.0	10	70
2021	100,653	4,793	8.5	407	70.0	285	4.0	11	81
2022	105,686	5,033	8.5	428	70.0	299	4.0	12	93
2023	110,970	5,284	8.5	449	70.0	314	4.0	13	106
2024	116,519	5,549	8.5	472	70.0	330	4.0	13	119
2025	122,345	5,826	8.5	495	70.0	347	4.0	14	133
2026	128,462	6,117	8.5	520	72.5	377	4.0	15	148
2027	134,885	6,423	8.5	546	72.5	396	4.0	16	164
2028	141,629	6,744	8.5	573	72.5	416	4.0	17	181
2029	148,711	7,081	8.5	602	72.5	436	4.0	17	198
2030	156,146	7,436	8.5	632	72.5	458	4.0	18	216
Contingency (25%)									54
Total									270

Source: McComb Group, Ltd.

## Bulk Warehouse Demand

Single tenant buildings represent all of Norwood Young America's bulk warehouse space. Between 1986 and 2006, over 2.2 million square feet of bulk warehouse space was absorbed in Carver County. Norwood Young America captured 5.9 percent of Carver County's bulk warehouse absorption, or 130,800 square feet as shown in Table 9-4.

Table 9-4

NORWOOD YOUNG AMERICA BULK WAREHOUSE BUILDINGS  
GROSS BUILDING AREA BY FIVE-YEAR PERIOD  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1991-2006 Increase
<b>CARVER COUNTY</b>						
Total Space	2,218.9	3,212.7	3,772.3	4,069.6	4,421.2	
Total Net Absorption		993.8	559.6	297.3	351.6	2,202.3
<b>NORWOOD YOUNG AMERICA</b>						
Total Space	73.7	122.7	158.8	158.8	204.5	
Net Absorption		49.0	36.1	-	45.7	130.8
Percent of Carver		4.9 %	6.5 %	- %	13.0 %	5.9 %

Source: Carver County and McComb Group, Ltd.

Metropolitan Area bulk warehouse absorption is estimated to increase at 3.5 percent between 2006 and 2030. The southwest growth corridor is expected to capture a decreasing share of that growth declining from 7.0 percent in 2007 to 5.0 percent in 2026. Carver County is estimated to capture 37.0 percent of the southwest growth corridor absorption, as shown in Table 9-5. Bulk warehouse absorption in Norwood Young America is estimated at 10.0 percent per year between 2007 and 2020. Absorption increases to 12.5 percent in 2021 through 2025 and further increases to 15.0 percent per year over the next five years. This results in an estimated 49,000 additional square footage of bulk warehouse space, with an additional 12,000 square feet for contingency, resulting in a total estimated increase of 61,000 square feet of bulk warehouse space.

Table 9-5  
FUTURE BULK WAREHOUSE SPACE DEMAND; 2006 TO 2030  
METRO AREA, SOUTHWEST SUBMARKET, CARVER COUNTY AND NORWOOD YOUNG AMERICA  
(In Thousands of Square Feet)

Year	Metro Area		Southwest Submarket		Carver County		Norwood Young America		
	3.5% Cumulative	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Cumulative Sq. Ft.
2006	14,985								
2007	15,509	524	7.0 %	37	37.0 %	14	10.0 %	1	1
2008	16,052	543	7.0	38	37.0	14	10.0	1	3
2009	16,614	562	7.0	39	37.0	15	10.0	1	4
2010	17,196	581	7.0	41	37.0	15	10.0	2	6
2011	17,797	602	6.5	39	37.0	14	10.0	1	7
2012	18,420	623	6.5	40	37.0	15	10.0	1	9
2013	19,065	645	6.5	42	37.0	16	10.0	2	10
2014	19,732	667	6.5	43	37.0	16	10.0	2	12
2015	20,423	691	6.5	45	37.0	17	10.0	2	13
2016	21,138	715	6.0	43	37.0	16	10.0	2	15
2017	21,878	740	6.0	44	37.0	16	10.0	2	17
2018	22,643	766	6.0	46	37.0	17	10.0	2	18
2019	23,436	793	6.0	48	37.0	18	10.0	2	20
2020	24,256	820	6.0	49	37.0	18	10.0	2	22
2021	25,105	849	5.5	47	37.0	17	12.5	2	24
2022	25,984	879	5.5	48	37.0	18	12.5	2	26
2023	26,893	909	5.5	50	37.0	19	12.5	2	29
2024	27,834	941	5.5	52	37.0	19	12.5	2	31
2025	28,809	974	5.5	54	37.0	20	12.5	2	34
2026	29,817	1,008	5.0	50	37.0	19	15.0	3	36
2027	30,861	1,044	5.0	52	37.0	19	15.0	3	39
2028	31,941	1,080	5.0	54	37.0	20	15.0	3	42
2029	33,059	1,118	5.0	56	37.0	21	15.0	3	45
2030	34,216	1,157	5.0	58	37.0	21	15.0	3	49
Contingency (25%)									12
Total									61

Source: McComb Group, Ltd.

## Commercial Office Demand

Commercial office in this analysis includes multi-tenant and single tenant office buildings. Commercial office space in Carver County and Norwood Young America are summarized in Table 9-6. Commercial office space in Norwood Young America has increased from 13,300 square feet from 1986 to over 23,300 square feet in 2006. In total, Norwood Young America office absorption represented 1.3 percent of Carver County's total office absorption.

Table 9-6

**NORWOOD YOUNG AMERICA COMMERCIAL OFFICE BUILDINGS**  
**GROSS BUILDING AREA BY FIVE-YEAR PERIOD**  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1991-2006 Increase
<b>CARVER COUNTY</b>						
Total Space	282.9	718.2	801.0	922.5	1,033.7	
Total Net Absorption		435.27	82.80	121.50	111.20	750.77
<b>NORWOOD YOUNG AMERICA</b>						
Total Space	13.3	23.3	23.3	23.3	23.3	
Net Absorption		10.0	-	-	-	10.0
Percent of Carver		2.3 %	- %	- %	- %	1.3 %

Source: Carver County and McComb Group, Ltd.

Future commercial office potential in Norwood Young America is reflected in Table 9-7, which shows commercial office space demand from 2007 to 2030. This is based on the assumption that Metropolitan Area office occupancy will grow at three percent per year. The southwest growth corridor is expected to capture 20 percent of that growth, and Carver County is assumed to capture an increasing share of the southwest growth corridor growth starting at 10.0 percent in 2007 and increasing to 20 percent by 2026. Norwood Young America's market share is estimated at 2.5 percent of the Carver County growth in 2021 through 2030. These estimates indicate that Norwood Young America's commercial office potential would be about 34,000 square feet through 2030, including a 7,000 square foot contingency.

Table 9-7

**FUTURE COMMERCIAL OFFICE SPACE DEMAND; 2006 TO 2030**  
**METRO AREA, SOUTHWEST SUBMARKET, CARVER COUNTY AND NORWOOD YOUNG AMERICA**  
(In Thousands of Square Feet)

Year	Metro Area		Southwest Submarket		Carver County		Norwood Young America		
	3% Cumulative	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Cumulative Sq. Ft.
2006	55,800								
2007	57,474	1,674	20.0 %	335	10.0 %	33	- %	-	-
2008	59,198	1,724	20.0	345	10.0	34	-	-	-
2009	60,974	1,776	20.0	355	10.0	36	-	-	-
2010	62,803	1,829	20.0	366	10.0	37	-	-	-
2011	64,687	1,884	20.0	377	12.5	47	-	-	-
2012	66,628	1,941	20.0	388	12.5	49	-	-	-
2013	68,627	1,999	20.0	400	12.5	50	-	-	-
2014	70,686	2,059	20.0	412	12.5	51	-	-	-
2015	72,806	2,121	20.0	424	12.5	53	-	-	-
2016	74,991	2,184	20.0	437	15.0	66	-	-	-
2017	77,240	2,250	20.0	450	15.0	67	-	-	-
2018	79,557	2,317	20.0	463	15.0	70	-	-	-
2019	81,944	2,387	20.0	477	15.0	72	-	-	-
2020	84,403	2,458	20.0	492	15.0	74	-	-	-
2021	86,935	2,532	20.0	506	17.5	89	2.5	2	2
2022	89,543	2,608	20.0	522	17.5	91	2.5	2	4
2023	92,229	2,686	20.0	537	17.5	94	2.5	2	7
2024	94,996	2,767	20.0	553	17.5	97	2.5	2	9
2025	97,846	2,850	20.0	570	17.5	100	2.5	2	12
2026	100,781	2,935	20.0	587	20.0	117	2.5	3	15
2027	103,804	3,023	20.0	605	20.0	121	2.5	3	18
2028	106,919	3,114	20.0	623	20.0	125	2.5	3	21
2029	110,126	3,208	20.0	642	20.0	128	2.5	3	24
2030	113,430	3,304	20.0	661	20.0	132	2.5	3	27
Contingency (25%)									7
Total									34

Source: McComb Group, Ltd.

## Office Showroom Demand

Norwood Young America does not have any office showroom development at the present time; however, it is a product type that could develop there in the future. During the period 1986 to 2006, office showroom space in Carver County increased from 68,400 square feet to 239,700 square feet, an increase of 171,300, as shown in Table 9-8. This type of space has only been developed in Chanhassen to date.

Table 9-8

NORWOOD YOUNG AMERICA OFFICE SHOWROOM BUILDINGS  
GROSS BUILDING AREA BY FIVE-YEAR PERIOD  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1991-2006 Increase
<b>CARVER COUNTY</b>						
Total Space	68.4	124.4	139.7	195.6	239.7	
Total Net Absorption		56.0	15.3	55.9	44.1	171.3

Source: Carver County and McComb Group, Ltd.

Future office showroom space demand is shown in Table 9-9. Metropolitan Area office showroom space is estimated to continue to increase at about two percent annually. The southwest growth corridor is expected to capture 25 percent of the Metro growth with

Table 9-9

FUTURE OFFICE SHOWROOM SPACE DEMAND; 2006 TO 2030  
METRO AREA, SOUTHWEST SUBMARKET, CARVER COUNTY AND NORWOOD YOUNG AMERICA  
(In Thousands of Square Feet)

Year	Metro Area		Southwest Submarket		Carver County		Norwood Young America		
	2% Cumulative	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Cumulative Sq. Ft.
2006	17,074								
2007	17,415	341	25.0 %	85	7.0 %	6	- %	-	-
2008	17,764	348	25.0	87	7.0	6	-	-	-
2009	18,119	355	25.0	89	7.0	6	-	-	-
2010	18,481	362	25.0	91	10.0	9	-	-	-
2011	18,851	370	25.0	92	10.0	9	-	-	-
2012	19,228	377	25.0	94	10.0	9	-	-	-
2013	19,613	385	25.0	96	10.0	10	-	-	-
2014	20,005	392	25.0	98	10.0	10	-	-	-
2015	20,405	400	25.0	100	10.0	10	-	-	-
2016	20,813	408	25.0	102	12.5	13	-	-	-
2017	21,229	416	25.0	104	12.5	13	-	-	-
2018	21,654	425	25.0	106	12.5	13	-	-	-
2019	22,087	433	25.0	108	12.5	14	-	-	-
2020	22,529	442	25.0	110	12.5	14	-	-	-
2021	22,979	451	25.0	113	15.0	17	2.5	0	0
2022	23,439	460	25.0	115	15.0	17	2.5	0	1
2023	23,908	469	25.0	117	15.0	18	2.5	0	1
2024	24,386	478	25.0	120	15.0	18	2.5	0	2
2025	24,874	488	25.0	122	15.0	18	2.5	0	2
2026	25,371	497	25.0	124	20.0	25	2.5	1	3
2027	25,878	507	25.0	127	20.0	25	2.5	1	3
2028	26,396	518	25.0	129	20.0	26	2.5	1	4
2029	26,924	528	25.0	132	20.0	26	2.5	1	5
2030	27,462	538	25.0	135	20.0	27	2.5	1	5
Contingency (25%)									1
Total									6

Source: McComb Group, Ltd.

Carver County capturing an increasing share of the southwest growth corridor increase, beginning at 7.0 percent in 2007 and increasing to 20.0 percent by 2026. Norwood Young America is expected to capture a minimal amount of the Carver County office showroom space. No absorption is planned for the period 2007 to 2020; however, office showroom absorption is estimated at 2.5 percent annually starting in 2021. Office showroom development will increase minimally over the next 23 years. Total office showroom development over the next 23 years is 7,000 square feet.

## Summary

Total business park space demand for 2008 through 2030 is estimated at over 297,000 square feet, as shown in Table 9-10. A contingency of 25 percent (74,000 square feet) has been provided for two reasons: 1) Norwood Young America's growth will not end in 2030; and 2) the contingency space will provide for the possibility that demand for business park space exceeds the baseline estimates. These estimates of business park space are designed to provide an estimate of total space to be needed by 2030. Demand for individual categories of development may vary from the individual estimates.

Table 9-10  
NORWOOD YOUNG AMERICA ESTIMATED BUSINESS PARK SPACE DEMAND; 2008 TO 2030  
(In Thousands of Square Feet)

Category	Estimated Demand	Contingency 25%	Total
Office Warehouse/Industrial	216	54	270
Commercial Office	27	7	34
Office Showroom	5	1	6
Bulk Warehouse	49	12	61
Total	297	74	371

Source: McComb Group, Ltd.

Estimated business park land demand for 2008 to 2030 is contained in Table 9-11. Land demand is estimated by dividing the estimated space demand by the amount of building area that can be placed on an acre of land. Commercial office, which has the highest parking demand, is estimated at 12,500 square feet per acre. The other building categories are estimated at 15,000 square feet per acre. This results in an estimated 25 acres of land necessary to accommodate the estimated growth of roughly 371,000 square feet.

Table 9-11  
NORWOOD YOUNG AMERICA ESTIMATED BUSINESS PARK LAND DEMAND; 2008 TO 2030

Category	Square Feet (000)	Square Feet Per Acre	Acres
Office Warehouse/Industrial	270	15,000	18
Commercial Office	34	12,500	3
Office Showroom	6	15,000	1
Bulk Warehouse	61	15,000	4
Total	371		26

Source: McComb Group, Ltd.

## Chapter 10

### VICTORIA BUSINESS PARK DEVELOPMENT POTENTIAL

Future business park development potential in Victoria will be related to growth in the Metropolitan Area and the portion that is likely to be captured in Carver County. Victoria can be expected to capture a portion of the Carver County growth. This chapter addresses the demand for office warehouse/industrial, commercial office, office showroom, and bulk warehouse space. These categories include both single tenant buildings and multi-tenant developments, and are the building types that generally locate in suburban business parks. Actual demand will depend on suitable available land, marketing incentives, and developer or tenant interest.

#### Existing Business Park Development

Victoria's existing business park uses consist of office warehouse/industrial, commercial office and bulk warehouse buildings. These buildings total over 96,000 square feet and occupy 23 acres. Bulk warehouse is the largest category with over 88,000 square feet of gross leasable area, as shown in Table 10-1. Victoria presently has no office showroom space.

Table 10-1

VICTORIA BUSINESS PARK AND LAND; 1986 TO 2006  
MULTI-TENANT AND SINGLE TENANT BUILDINGS  
(Square Feet and Acres)

Category	Pre-1986 Sq. Feet	1986-1991 Sq. Feet	1992-1996 Sq. Feet	1997-2001 Sq. Feet	2002-2006 Sq. Feet	Gross Building Area	Land (acres)
<b>Commercial Office</b>							
Multi-Tenant	2,880	-	-	-	-	2,880	1.0
Single Tenant	-	-	-	-	-	-	-
Subtotal	2,880	-	-	-	-	2,880	1.0
<b>Office Warehouse/Industrial</b>							
Multi-Tenant	-	-	-	-	-	-	-
Single Tenant	4,576	-	-	-	-	4,576	1.0
Subtotal	4,576	-	-	-	-	4,576	1.0
<b>Bulk Warehouse</b>							
Multi-Tenant	2,322	15,960	-	-	-	18,282	14.0
Single Tenant	51,178	-	-	19,348	-	70,526	7.0
Subtotal	53,500	15,960	-	19,348	-	88,808	21.0
<b>Total</b>	60,956	15,960	-	19,348	-	96,264	23.0

Source: Carver County and McComb Group, Ltd.

## Office Warehouse/Industrial Demand

The office warehouse/industrial category also includes office research, office manufacturing, and other types of similar uses. Victoria had no office warehouse/industrial absorption during the period 1986 to 2006, as shown in Table 10-2. Office warehouse/industrial buildings totaled 4,600 square feet, which existed prior to 1986.

Table 10-2

VICTORIA OFFICE WAREHOUSE/INDUSTRIAL BUILDINGS  
GROSS BUILDING AREA BY FIVE-YEAR PERIOD  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1991-2006 Increase
<b>CARVER COUNTY</b>						
Total Space	1,373.3	2,327.6	3,155.0	4,356.9	4,629.5	
Total Net Absorption		954.3	827.4	1,201.9	272.6	3,256.2
<b>VICTORIA</b>						
Total	4.6	4.6	4.6	4.6	4.6	
Net Absorption		-	-	-	-	-
Percent of Carver		- %	- %	- %	- %	- %

Source: Carver County and McComb Group, Ltd.

Future office warehouse/industrial demand in Victoria is based on estimated market share from 2007 to 2030. While Victoria has not experienced office warehouse/industrial development over the past 20 years, development is projected for the future. For purposes of this analysis, Metro Area office warehouse/industrial market is expected to grow at a rate of five percent annually, as shown in Table 10-3. The southwest growth corridor is expected to capture 8.5 percent of the Metro growth based on past performance. Over the past 20 years, Carver County has absorbed about 70 percent of the Metro Area office warehouse/industrial development. Over the last ten years, market share was 62.5 percent, slightly lower than the 20 year average. Carver County is estimated to capture 62.5 percent of the southwest growth corridor increase in office warehouse/industrial space in 2007 increasing to 72.5 percent in 2026. Victoria's share of the Carver County absorption is estimated at 2.0 percent for the period 2011 to 2030. The increase in office warehouse\industrial demand for Victoria over the next 25 years is estimated at over 144,000 square feet, including a 25 percent contingency of 29,000 square feet.

## Bulk Warehouse Demand

Between 1986 and 2006, over 2.2 million square feet of bulk warehouse space was absorbed in Carver County. Victoria captured 1.6 percent of Carver County's bulk warehouse absorption, with 35,300 square feet as shown in Table 10-4. Single tenant buildings represent 80 percent of Victoria's bulk warehouse space. Victoria is not a strong candidate for bulk warehouse development, which generally select locations with low land prices and convenient access to limited access freeways.

Table 10-3

FUTURE OFFICE WAREHOUSE/INDUSTRIAL SPACE DEMAND; 2006 TO 2030  
METRO AREA, SOUTHWEST SUBMARKET, CARVER COUNTY AND VICTORIA  
(In Thousands of Square Feet)

Year	Metro Area		Southwest Submarket		Carver County		Victoria		
	5% Cumulative	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Cumulative Sq. Ft.
2006	48,416								
2007	50,837	2,421	8.5 %	206	62.5 %	129	- %	-	-
2008	53,379	2,542	8.5	216	62.5	135	-	-	-
2009	56,048	2,669	8.5	227	62.5	142	-	-	-
2010	58,850	2,802	8.5	238	62.5	149	-	-	-
2011	61,792	2,942	8.5	250	65.0	163	2.0	3	3
2012	64,882	3,090	8.5	263	65.0	171	2.0	3	7
2013	68,126	3,244	8.5	276	65.0	179	2.0	4	10
2014	71,532	3,406	8.5	290	65.0	188	2.0	4	14
2015	75,109	3,577	8.5	304	65.0	198	2.0	4	18
2016	78,865	3,755	8.5	319	67.5	215	2.0	4	22
2017	82,808	3,943	8.5	335	67.5	226	2.0	5	27
2018	86,948	4,140	8.5	352	67.5	238	2.0	5	32
2019	91,296	4,347	8.5	370	67.5	249	2.0	5	37
2020	95,860	4,565	8.5	388	67.5	262	2.0	5	42
2021	100,653	4,793	8.5	407	70.0	285	2.0	6	47
2022	105,686	5,033	8.5	428	70.0	299	2.0	6	53
2023	110,970	5,284	8.5	449	70.0	314	2.0	6	60
2024	116,519	5,549	8.5	472	70.0	330	2.0	7	66
2025	122,345	5,826	8.5	495	70.0	347	2.0	7	73
2026	128,462	6,117	8.5	520	72.5	377	2.0	8	81
2027	134,885	6,423	8.5	546	72.5	396	2.0	8	89
2028	141,629	6,744	8.5	573	72.5	416	2.0	8	97
2029	148,711	7,081	8.5	602	72.5	436	2.0	9	106
2030	156,146	7,436	8.5	632	72.5	458	2.0	9	115
Contingency (25%) Total									<u>29</u> 144

Source: McComb Group, Ltd.

Table 10-4

VICTORIA BULK WAREHOUSE BUILDINGS  
GROSS BUILDING AREA BY FIVE-YEAR PERIOD  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1991-2006 Increase
<b>CARVER COUNTY</b>						
Total Space	2,218.9	3,212.7	3,772.3	4,069.6	4,421.2	
Total Net Absorption		993.8	559.6	297.3	351.6	2,202.3
<b>VICTORIA</b>						
Total Space	53.5	69.5	69.5	88.8	88.8	
Net Absorption		16.0	-	19.3	-	35.3
Percent of Carver		1.6 %	- %	6.5 %	- %	1.6 %

Source: Carver County and McComb Group, Ltd.

## Commercial Office Demand

Commercial office in this analysis includes multi-tenant and single tenant office buildings. Commercial office space in Carver County and Victoria are summarized in Table 10-5. Commercial office space in Victoria has been comprised of 2,900 square feet of multi-tenant space since 1986.

Table 10-5

VICTORIA COMMERCIAL OFFICE BUILDINGS  
GROSS BUILDING AREA BY FIVE-YEAR PERIOD  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1991-2006 Increase
<b>CARVER COUNTY</b>						
Total Space	282.9	718.2	801.0	922.5	1,033.7	
Total Net Absorption		435.27	82.80	121.50	111.20	750.77
<b>VICTORIA</b>						
Total Space	2.9	2.9	2.9	2.9	2.9	
Net Absorption		-	-	-	-	-
Percent of Carver		- %	- %	- %	- %	- %

Source: Carver County and McComb Group, Ltd.

Future commercial office potential in Victoria is reflected in Table 10-6, which shows commercial office space demand from 2007 to 2030. This is based on the assumption that Metropolitan Area office occupancy will grow at three percent per year with the southwest growth corridor capturing 20 percent of that growth. Carver County is assumed to capture an increasing share of this growth, starting at 10 percent in 2007 and increasing to 20 percent by 2026. Victoria's market share is estimated at 2.5 percent of the southwest growth corridor growth starting in 2021 through 2026 and increasing to 4.0 percent from 2026 through 2030. These estimates indicate that Victoria's commercial office potential would be about 46,000 square feet in 2030, including a 9,000 square foot contingency.

Table 10-6

FUTURE COMMERCIAL OFFICE SPACE DEMAND; 2006 TO 2030  
METRO AREA, SOUTHWEST SUBMARKET, CARVER COUNTY AND VICTORIA  
(In Thousands of Square Feet)

Year	Metro Area		Southwest Submarket		Carver County		Victoria		
	3% Cumulative	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Cumulative Sq. Ft.
2006	55,800								
2007	57,474	1,674	20.0 %	335	10.0 %	33	- %	-	-
2008	59,198	1,724	20.0	345	10.0	34	-	-	-
2009	60,974	1,776	20.0	355	10.0	36	-	-	-
2010	62,803	1,829	20.0	366	10.0	37	-	-	-
2011	64,687	1,884	20.0	377	12.5	47	-	-	-
2012	66,628	1,941	20.0	388	12.5	49	-	-	-
2013	68,627	1,999	20.0	400	12.5	50	-	-	-
2014	70,686	2,059	20.0	412	12.5	51	-	-	-
2015	72,806	2,121	20.0	424	12.5	53	-	-	-
2016	74,991	2,184	20.0	437	15.0	66	-	-	-
2017	77,240	2,250	20.0	450	15.0	67	-	-	-
2018	79,557	2,317	20.0	463	15.0	70	-	-	-
2019	81,944	2,387	20.0	477	15.0	72	-	-	-
2020	84,403	2,458	20.0	492	15.0	74	-	-	-
2021	86,935	2,532	20.0	506	17.5	89	2.5	2	2
2022	89,543	2,608	20.0	522	17.5	91	2.5	2	4
2023	92,229	2,686	20.0	537	17.5	94	2.5	2	7
2024	94,996	2,767	20.0	553	17.5	97	2.5	2	9
2025	97,846	2,850	20.0	570	17.5	100	2.5	2	12
2026	100,781	2,935	20.0	587	20.0	117	4.0	5	16
2027	103,804	3,023	20.0	605	20.0	121	4.0	5	21
2028	106,919	3,114	20.0	623	20.0	125	4.0	5	26
2029	110,126	3,208	20.0	642	20.0	128	4.0	5	31
2030	113,430	3,304	20.0	661	20.0	132	4.0	5	37
Contingency (25%)									9
Total									46

Source: McComb Group, Ltd.

## Office Showroom Demand

Victoria does not have office showroom space at the present time; however, this is a product type that could develop in the future. During the period 1986 to 2006, office showroom space in Carver County increased from 68,400 square feet to 239,700 square feet, as shown in Table 10-7. All of this space was developed in Chanhassen.

Table 10-7

VICTORIA OFFICE SHOWROOM BUILDINGS  
GROSS BUILDING AREA BY FIVE-YEAR PERIOD  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1991-2006 Increase
<b>CARVER COUNTY</b>						
Total Space	68.4	124.4	139.7	195.6	239.7	
Total Net Absorption		56.0	15.3	55.9	44.1	171.3

Source: Carver County and McComb Group, Ltd.

Future office showroom space demand is shown in Table 10-8. Metropolitan Area office showroom space is estimated to continue to increase at about two percent annually with the southwest growth corridor capturing 25 percent of that increase. Carver County will capture an increasing share of the southwest growth corridor increase, beginning at 7.0 percent in 2007 and

Table 10-8

FUTURE OFFICE SHOWROOM SPACE DEMAND; 2006 TO 2030  
METRO AREA, SOUTHWEST SUBMARKET, CARVER COUNTY AND VICTORIA  
(In Thousands of Square Feet)

Year	Metro Area		Southwest Submarket		Carver County		Victoria		
	2% Cumulative	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Cumulative Sq. Ft.
2006	17,074								
2007	17,415	341	25.0 %	85	7.0 %	6	- %	-	-
2008	17,764	348	25.0	87	7.0	6	-	-	-
2009	18,119	355	25.0	89	7.0	6	-	-	-
2010	18,481	362	25.0	91	10.0	9	-	-	-
2011	18,851	370	25.0	92	10.0	9	-	-	-
2012	19,228	377	25.0	94	10.0	9	-	-	-
2013	19,613	385	25.0	96	10.0	10	-	-	-
2014	20,005	392	25.0	98	10.0	10	-	-	-
2015	20,405	400	25.0	100	10.0	10	-	-	-
2016	20,813	408	25.0	102	12.5	13	-	-	-
2017	21,229	416	25.0	104	12.5	13	-	-	-
2018	21,654	425	25.0	106	12.5	13	-	-	-
2019	22,087	433	25.0	108	12.5	14	-	-	-
2020	22,529	442	25.0	110	12.5	14	-	-	-
2021	22,979	451	25.0	113	15.0	17	3.0	1	1
2022	23,439	460	25.0	115	15.0	17	3.0	1	2
2023	23,908	469	25.0	117	15.0	18	3.0	1	3
2024	24,386	478	25.0	120	15.0	18	3.0	1	4
2025	24,874	488	25.0	122	15.0	18	3.0	1	5
2026	25,371	497	25.0	124	20.0	25	3.0	1	6
2027	25,878	507	25.0	127	20.0	25	3.0	1	7
2028	26,396	518	25.0	129	20.0	26	3.0	1	8
2029	26,924	528	25.0	132	20.0	26	3.0	1	9
2030	27,462	538	25.0	135	20.0	27	3.0	1	10
Contingency (25%)									3
Total									13

Source: McComb Group, Ltd.

increasing to 20.0 percent by 2026. Victoria is expected to capture a minimal amount of the Carver County office showroom space. No absorption is planned for the period 2007 to 2020 and office showroom absorption is estimated at 3.0 percent annually starting in 2021 through 2030. Initial absorption begins at 1,000 square feet per year in 2021 and totals 10,000 square feet by 2030. This indicates that office showroom development is likely to be relatively low over the next 23 years. Total office showroom development over the next 23 years is 13,000 square feet including a 25 percent contingency of 3,000 square feet.

## Summary

Total business park space demand for 2008 through 2030 is estimated at over 162,000 square feet, as shown in Table 10-9. A contingency of 25 percent (41,000 square feet) has been provided for two reasons: 1) Victoria's growth will not end in 2030; and 2) the contingency space will provide for the possibility that demand for business park space exceeds the baseline estimates. These estimates of business park space are designed to provide an estimate of total space to be needed by 2030. Demand for individual categories of development may vary from the individual estimates.

Table 10-9

VICTORIA ESTIMATED BUSINESS PARK SPACE DEMAND; 2008 TO 2030  
(In Thousands of Square Feet)

Category	Estimated Demand	Contingency 25%	Total
Office Warehouse/Industrial	115	29	144
Commercial Office	37	9	46
Office Showroom	10	3	13
Bulk Warehouse	-	-	-
Total	162	41	203

Source: McComb Group, Ltd.

Estimated business park land demand for 2008 to 2030 is contained in Table 10-10. Land demand is estimated by dividing the estimated space demand by the amount of building area that can be placed on an acre of land. Commercial office, which has the highest parking demand, is estimated at 12,500 square feet per acre. The other building categories are estimated at 15,000 square feet per acre. This results in an estimated 15 acres of land necessary to accommodate the estimated growth of about 203,000 square feet.

Table 10-10

VICTORIA ESTIMATED BUSINESS PARK LAND DEMAND; 2008 TO 2030

Category	Square Feet (000)	Square Feet Per Acre	Acres
Office Warehouse/Industrial	144	15,000	10
Commercial Office	46	12,500	4
Office Showroom	13	15,000	1
Bulk Warehouse	-	15,000	-
Total	203		15

Source: McComb Group, Ltd.

## Chapter 11

### WACONIA BUSINESS PARK DEVELOPMENT POTENTIAL

Future business park development potential in Waconia will be related to growth in the Metropolitan Area and the portion that is likely to be captured in Carver County. Waconia is expected to capture a portion of the Carver County growth. This chapter addresses the demand for office warehouse/industrial, commercial office, office showroom, and bulk warehouse. These categories include both single tenant buildings and multi-tenant developments, and are the building types that generally locate in suburban business parks. Actual demand will depend on suitable available land, marketing incentives, and developer or tenant interest.

#### Existing Business Park Development

Waconia's existing business park uses consist of office warehouse/industrial, commercial office and bulk warehouse buildings, and total over 826,000 square feet located on 78 acres. Bulk warehouse is the largest category with almost 395,000 square feet of gross leasable area, as shown in Table 11-1. Waconia presently has no office showroom space.

Table 11-1

WACONIA BUSINESS PARK AND LAND; 1986 TO 2006  
MULTI-TENANT AND SINGLE TENANT BUILDINGS  
(Square Feet and Acres)

Category	Pre-1986 Sq. Feet	1986-1991 Sq. Feet	1992-1996 Sq. Feet	1997-2001 Sq. Feet	2002-2006 Sq. Feet	Gross Building Area	Land (acres)
<b>Commercial Office</b>							
Multi-Tenant	7,599	11,580	-	-	15,468	34,647	2.0
Single Tenant	26,910	1,456	29,440	41,200	-	99,006	8.0
Subtotal	34,509	13,036	29,440	41,200	15,468	133,653	10.0
<b>Office Warehouse/Industrial</b>							
Multi-Tenant	-	40,320	-	-	-	40,320	4.0
Single Tenant	113,782	30,828	8,160	51,720	53,376	257,866	18.0
Subtotal	113,782	71,148	8,160	51,720	53,376	298,186	22.0
<b>Bulk Warehouse</b>							
Multi-Tenant	-	-	17,200	-	-	17,200	3.0
Single Tenant	226,884	4,000	98,688	15,184	33,000	377,756	43.0
Subtotal	226,884	4,000	115,888	15,184	33,000	394,956	46.0
<b>Total</b>	375,175	88,184	153,488	108,104	101,844	826,795	78.0

Source: Carver County and McComb Group, Ltd.

## Office Warehouse/Industrial Demand

The office warehouse/industrial category also includes office research, office manufacturing, and other types of similar uses. Waconia's office warehouse/industrial absorption for the period 1986 to 2006 for multi-tenant buildings and single tenant buildings is contained in Table 11-2. Office warehouse/industrial buildings totaled 113,800 square feet in 1986 and increased to 298,200 square feet in 2006. Absorption was 184,400 square feet, which represented 5.7 percent of Carver County's net absorption for the same time period.

Table 11-2

**WACONIA OFFICE WAREHOUSE/INDUSTRIAL BUILDINGS**  
**GROSS BUILDING AREA BY FIVE-YEAR PERIOD**  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1991-06 Increase
<b>CARVER COUNTY</b>						
Total Space	1,373.3	2,327.6	3,155.0	4,356.9	4,629.5	
Total Net Absorption		954.3	827.4	1,201.9	272.6	3,256.2
<b>WACONIA</b>						
Total Space	113.8	184.9	193.1	244.8	298.2	
Net Absorption	-	71.1	8.2	51.7	53.4	184.4
Percent of Carver	- %	7.5 %	1.0 %	4.3 %	19.6 %	5.7 %

Source: Carver County and McComb Group, Ltd.

Future office warehouse/industrial demand in Waconia is based on estimated market share from 2007 to 2030. Waconia has experienced moderate office warehouse/industrial development in the past, primarily in the single-tenant category. For purposes of this analysis, Metro Area office warehouse/industrial market is expected to grow at a rate of five percent annually, as shown in Table 11-3. Southwest growth corridor is estimated to capture 8.5 percent of the Metropolitan Area increase in office warehouse/industrial space. Over the past 20 years, Carver County has absorbed about 70 percent of the Metro Area office warehouse/industrial development. Over the last ten years, Carver County has captured 62.5 percent of southwest absorption. Carver County is expected to capture an increasing share of the southwest growth corridor increase, starting at 62.5 percent in 2007 and increasing to 72.5 percent by 2026. Waconia's share of the Carver County absorption is estimated at 10 percent for the period 2007 to 2010, decreasing to 9.0 percent for the next five-year period, further decreasing to 8.0 percent for 2016 to 2020, 7.5 percent for 2021 to 2025 and 7.0 percent from 2026 to 2030. The increase in office warehouse/industrial demand for Carver over the next 25 years is estimated at over 619,000 square feet, including a 25 percent contingency of 124,000 square feet.

Table 11-3

FUTURE OFFICE WAREHOUSE/INDUSTRIAL SPACE DEMAND; 2006 TO 2030  
METRO AREA, SOUTHWEST SUBMARKET, CARVER COUNTY AND WACONIA  
(In Thousands of Square Feet)

Year	Metro Area		Southwest Submarket		Carver County		Waconia		
	5% Cumulative	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Cumulative Sq. Ft.
2006	48,416								
2007	50,837	2,421	8.5 %	206	62.5 %	129	10.0 %	13	13
2008	53,379	2,542	8.5	216	62.5	135	10.0	14	26
2009	56,048	2,669	8.5	227	62.5	142	10.0	14	41
2010	58,850	2,802	8.5	238	62.5	149	10.0	15	55
2011	61,792	2,942	8.5	250	65.0	163	9.0	15	70
2012	64,882	3,090	8.5	263	65.0	171	9.0	15	85
2013	68,126	3,244	8.5	276	65.0	179	9.0	16	102
2014	71,532	3,406	8.5	290	65.0	188	9.0	17	118
2015	75,109	3,577	8.5	304	65.0	198	9.0	18	136
2016	78,865	3,755	8.5	319	67.5	215	8.0	17	154
2017	82,808	3,943	8.5	335	67.5	226	8.0	18	172
2018	86,948	4,140	8.5	352	67.5	238	8.0	19	191
2019	91,296	4,347	8.5	370	67.5	249	8.0	20	211
2020	95,860	4,565	8.5	388	67.5	262	8.0	21	232
2021	100,653	4,793	8.5	407	70.0	285	7.5	21	253
2022	105,686	5,033	8.5	428	70.0	299	7.5	22	275
2023	110,970	5,284	8.5	449	70.0	314	7.5	24	299
2024	116,519	5,549	8.5	472	70.0	330	7.5	25	324
2025	122,345	5,826	8.5	495	70.0	347	7.5	26	350
2026	128,462	6,117	8.5	520	72.5	377	7.0	26	376
2027	134,885	6,423	8.5	546	72.5	396	7.0	28	404
2028	141,629	6,744	8.5	573	72.5	416	7.0	29	433
2029	148,711	7,081	8.5	602	72.5	436	7.0	31	463
2030	156,146	7,436	8.5	632	72.5	458	7.0	32	496
Contingency (25%) Total									<u>124</u> 620

Source: McComb Group, Ltd.

## Bulk Warehouse Demand

Single tenant buildings represent over 95 percent of Waconia's bulk warehouse space. Bulk warehouse absorption totaled 168,100 square feet since 1986, as shown in Table 11-4. This represented 7.6 percent of Carver County bulk warehouse absorption. Between 1986 and 2006, over 2.2 million square feet of bulk warehouse space was absorbed in Carver County.

Table 11-4

WACONIA BULK WAREHOUSE BUILDINGS  
GROSS BUILDING AREA BY FIVE-YEAR PERIOD  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1991-06 Increase
<b>CARVER COUNTY</b>						
Total Space	2,218.9	3,212.7	3,772.3	4,069.6	4,421.2	
Total Net Absorption		993.8	559.6	297.3	351.6	2,202.3
Percent of Southwest		88.1 %	N/A %	125.7 %	64.3 %	129.8 %
<b>WACONIA</b>						
Total Space	226.9	230.9	346.8	362.0	395.0	
Net Absorption		4.0	115.9	15.2	33.0	168.1
Percent of Carver		0.4 %	20.7 %	5.1 %	9.4 %	7.6 %

Source: Carver County and McComb Group, Ltd.

Metropolitan Area bulk warehouse absorption is estimated to increase at 3.5 percent between 2006 and 2030, as shown in Table 11-5. The southwest growth corridor is expected to capture a decreasing percentage of the metro growth, starting at 7.0 percent in 2007 and decreasing to 5.0 percent by 2026. Carver County is estimated to capture 37.0 percent of the southwest growth corridor absorption. Bulk warehouse absorption in Waconia is estimated at ten percent per year between 2007 and 2030. This results in an estimated 41,000 additional square feet of bulk warehouse space with an additional 10,000 square feet for contingency, resulting in a total estimated increase of 51,000 square feet of bulk warehouse space.

Table 11-5  
 FUTURE BULK WAREHOUSE SPACE DEMAND; 2006 TO 2030  
 METRO AREA, SOUTHWEST SUBMARKET, CARVER COUNTY AND WACONIA  
 (In Thousands of Square Feet)

Year	Metro Area		Southwest Submarket		Carver County		Waconia		
	3.5% Cumulative	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Cumulative Sq. Ft.
2006	14,985								
2007	15,509	524	7.0 %	37	37.0 %	14	10.0 %	1	1
2008	16,052	543	7.0	38	37.0	14	10.0	1	3
2009	16,614	562	7.0	39	37.0	15	10.0	1	4
2010	17,196	581	7.0	41	37.0	15	10.0	2	6
2011	17,797	602	6.5	39	37.0	14	10.0	1	7
2012	18,420	623	6.5	40	37.0	15	10.0	1	9
2013	19,065	645	6.5	42	37.0	16	10.0	2	10
2014	19,732	667	6.5	43	37.0	16	10.0	2	12
2015	20,423	691	6.5	45	37.0	17	10.0	2	13
2016	21,138	715	6.0	43	37.0	16	10.0	2	15
2017	21,878	740	6.0	44	37.0	16	10.0	2	17
2018	22,643	766	6.0	46	37.0	17	10.0	2	18
2019	23,436	793	6.0	48	37.0	18	10.0	2	20
2020	24,256	820	6.0	49	37.0	18	10.0	2	22
2021	25,105	849	5.5	47	37.0	17	10.0	2	24
2022	25,984	879	5.5	48	37.0	18	10.0	2	26
2023	26,893	909	5.5	50	37.0	19	10.0	2	27
2024	27,834	941	5.5	52	37.0	19	10.0	2	29
2025	28,809	974	5.5	54	37.0	20	10.0	2	31
2026	29,817	1,008	5.0	50	37.0	19	10.0	2	33
2027	30,861	1,044	5.0	52	37.0	19	10.0	2	35
2028	31,941	1,080	5.0	54	37.0	20	10.0	2	37
2029	33,059	1,118	5.0	56	37.0	21	10.0	2	39
2030	34,216	1,157	5.0	58	37.0	21	10.0	2	41
Contingency (25%)									10
Total									51

Source: McComb Group, Ltd.

## Commercial Office Demand

Commercial office in this analysis includes multi-tenant and single tenant office buildings. Commercial office space in Carver County and Waconia are summarized in Table 11-6. Single-tenant commercial office space represented almost 75 percent of Waconia's office space. Commercial office space increased from 34,500 square feet in 1986 to 133,700 square feet, an increase of 99,000 square feet. This represents 13.2 percent of Carver County's total commercial office space absorption during the 20-year period.

Table 11-6

**WACONIA COMMERCIAL OFFICE BUILDINGS**  
**GROSS BUILDING AREA BY FIVE-YEAR PERIOD**  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1986-06 Increase
<b>CARVER COUNTY</b>						
Total Space	282.9	718.2	801.0	922.5	1,033.7	
Total Net Absorption		435.27	82.80	121.50	111.20	750.77
<b>WACONIA</b>						
Total Space	34.5	47.6	77.0	118.2	133.7	
Net Absorption		13.1	29.4	41.2	15.5	99.2
Percent of Carver		3.0 %	35.5 %	33.9 %	13.9 %	13.2 %

Source: Carver County and McComb Group, Ltd.

Future commercial office potential in Waconia is reflected in Table 11-7, which shows commercial office space demand from 2007 to 2030. This is based on the assumption that Metropolitan Area office occupancy will grow at three percent per year with the southwest growth corridor capturing 20 percent of that growth. Carver County is assumed to capture an increasing share of the southwest growth corridor growth, starting at 10.0 percent in 2007 and increasing to 20.0 percent by 2026. Waconia's market share is estimated at 10.0 percent of the Carver County growth from 2007 through 2025, increasing to 11.0 percent from 2026 to 2030. These estimates indicate that Waconia's commercial office potential would be about 237,000 square feet through 2030, including a 47,000 square foot contingency.

Table 11-7

**FUTURE COMMERCIAL OFFICE SPACE DEMAND; 2006 TO 2030**  
**METRO AREA, SOUTHWEST SUBMARKET, CARVER COUNTY AND WACONIA**  
(In Thousands of Square Feet)

Year	Metro Area		Southwest Submarket		Carver County		Waconia		
	3% Cumulative	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Cumulative Sq. Ft.
2006	55,800								
2007	57,474	1,674	20.0 %	335	10.0 %	33	10.0 %	3	3
2008	59,198	1,724	20.0	345	10.0	34	10.0	3	7
2009	60,974	1,776	20.0	355	10.0	36	10.0	4	10
2010	62,803	1,829	20.0	366	10.0	37	10.0	4	14
2011	64,687	1,884	20.0	377	12.5	47	10.0	5	19
2012	66,628	1,941	20.0	388	12.5	49	10.0	5	24
2013	68,627	1,999	20.0	400	12.5	50	10.0	5	29
2014	70,686	2,059	20.0	412	12.5	51	10.0	5	34
2015	72,806	2,121	20.0	424	12.5	53	10.0	5	39
2016	74,991	2,184	20.0	437	15.0	66	10.0	7	46
2017	77,240	2,250	20.0	450	15.0	67	10.0	7	52
2018	79,557	2,317	20.0	463	15.0	70	10.0	7	59
2019	81,944	2,387	20.0	477	15.0	72	10.0	7	66
2020	84,403	2,458	20.0	492	15.0	74	10.0	7	74
2021	86,935	2,532	20.0	506	17.5	89	10.0	9	83
2022	89,543	2,608	20.0	522	17.5	91	10.0	9	92
2023	92,229	2,686	20.0	537	17.5	94	10.0	9	101
2024	94,996	2,767	20.0	553	17.5	97	10.0	10	111
2025	97,846	2,850	20.0	570	17.5	100	10.0	10	121
2026	100,781	2,935	20.0	587	20.0	117	11.0	13	134
2027	103,804	3,023	20.0	605	20.0	121	11.0	13	147
2028	106,919	3,114	20.0	623	20.0	125	11.0	14	161
2029	110,126	3,208	20.0	642	20.0	128	11.0	14	175
2030	113,430	3,304	20.0	661	20.0	132	11.0	15	189
Contingency (25%)									47
Total									236

Source: McComb Group, Ltd.

## Office Showroom Demand

Waconia does not have any office showroom development at the present time; however, it is a product type that could develop in Waconia in the future. During the period 1986 to 2006, office showroom space in Carver County increased from 68,400 square feet to 239,700 square feet, as shown in Table 11-8. All of this space has been developed in Chanhassen.

Table 11-8

**WACONIA OFFICE SHOWROOM BUILDINGS**  
**GROSS BUILDING AREA BY FIVE-YEAR PERIOD**  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1986-06 Increase
<b>CARVER COUNTY</b>						
Total Space	68.4	124.4	139.7	195.6	239.7	
Total Net Absorption		56.0	15.3	55.9	44.1	171.3

Source: Carver County and McComb Group, Ltd.

Future office showroom space demand is shown in Table 11-9. Metropolitan Area office showroom space is estimated to continue to increase at about two percent annually with the southwest growth corridor capturing 25 percent of the increase. Carver County is expected to capture an increasing share of the southwest growth corridor increase, beginning at 7.0 percent

Table 11-9

**FUTURE OFFICE SHOWROOM SPACE DEMAND; 2006 TO 2030**  
**METRO AREA, SOUTHWEST SUBMARKET, CARVER COUNTY AND WACONIA**  
(In Thousands of Square Feet)

Year	Metro Area		Southwest Submarket		Carver County		Waconia		
	2% Cumulative	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Cumulative Sq. Ft.
2006	17,074								
2007	17,415	341	25.0 %	85	7.0 %	6	%	-	-
2008	17,764	348	25.0	87	7.0	6		-	-
2009	18,119	355	25.0	89	7.0	6		-	-
2010	18,481	362	25.0	91	10.0	9		-	-
2011	18,851	370	25.0	92	10.0	9		-	-
2012	19,228	377	25.0	94	10.0	9		-	-
2013	19,613	385	25.0	96	10.0	10		-	-
2014	20,005	392	25.0	98	10.0	10		-	-
2015	20,405	400	25.0	100	10.0	10		-	-
2016	20,813	408	25.0	102	12.5	13	3.0	1	1
2017	21,229	416	25.0	104	12.5	13	3.0	1	2
2018	21,654	425	25.0	106	12.5	13	3.0	1	3
2019	22,087	433	25.0	108	12.5	14	3.0	1	4
2020	22,529	442	25.0	110	12.5	14	3.0	1	5
2021	22,979	451	25.0	113	15.0	17	3.0	1	6
2022	23,439	460	25.0	115	15.0	17	3.0	1	7
2023	23,908	469	25.0	117	15.0	18	3.0	1	8
2024	24,386	478	25.0	120	15.0	18	3.0	1	9
2025	24,874	488	25.0	122	15.0	18	3.0	1	10
2026	25,371	497	25.0	124	20.0	25	3.0	1	11
2027	25,878	507	25.0	127	20.0	25	3.0	1	12
2028	26,396	518	25.0	129	20.0	26	3.0	1	13
2029	26,924	528	25.0	132	20.0	26	3.0	1	14
2030	27,462	538	25.0	135	20.0	27	3.0	1	15
Contingency (25%)									4
Total									19

Source: McComb Group, Ltd.

in 2007 and increasing to 20.0 percent in 2026. Waconia is expected to capture a modest amount of the Carver County office showroom space. No absorption is planned for the period 2007 to 2015. Office showroom absorption is estimated at 3.0 percent annually starting in 2016. These estimates indicate that office showroom development is likely to be relatively modest over the next 23 years. Total office showroom development is estimated at 19,000 square feet including a 25 percent contingency.

## Summary

Total business park space demand for 2008 through 2030 is estimated at over 741,000 square feet, as shown in Table 11-10. A contingency of 25 percent (185,000 square feet) has been provided for two reasons: 1) Waconia's growth will not end in 2030; and 2) the contingency space will provide for the possibility that demand for business park space exceeds the baseline estimates. These estimates of business park space are designed to provide an estimate of total space to be needed by 2030. Demand for individual categories of development may vary from the individual estimates.

Table 11-10  
WACONIA ESTIMATED BUSINESS PARK SPACE DEMAND; 2008 TO 2030  
(In Thousands of Square Feet)

Category	Estimated Demand	Contingency 25%	Total
Office Warehouse/Industrial	496	124	620
Commercial Office	189	47	236
Office Showroom	15	4	19
Bulk Warehouse	41	10	51
Total	741	185	926

Source: McComb Group, Ltd.

Estimated business park land demand for 2008 to 2030 is contained in Table 11-11. Land demand is estimated by dividing the estimated space demand by the amount of building area that can be placed on an acre of land. Commercial office, which has the highest parking demand, is estimated at 12,500 square feet per acre. The other building categories are estimated at 15,000 square feet per acre. This results in an estimated 66 acres of land necessary to accommodate the estimated growth of roughly 926,000 square feet.

Table 11-11  
WACONIA ESTIMATED BUSINESS PARK LAND DEMAND; 2008 TO 2030

Category	Square Feet (000)	Square Feet Per Acre	Acres
Office Warehouse/Industrial	620	15,000	41
Commercial Office	236	12,500	19
Office Showroom	19	15,000	2
Bulk Warehouse	51	15,000	4
Total	926		66

Source: McComb Group, Ltd.

## Chapter 12

### WATERTOWN BUSINESS PARK DEVELOPMENT POTENTIAL

Future business park development potential in Watertown will be related to growth in the Metropolitan Area and the portion that is likely to be captured in Carver County. Watertown can be expected to capture a portion of the Carver County growth. This chapter addresses the demand for office warehouse/industrial, commercial office, office showroom, and bulk warehouse space. These categories include both single tenant buildings and multi-tenant developments, and are the building types that generally locate in suburban business parks. Actual demand will depend on suitable available land, marketing incentives, and developer or tenant interest.

#### Existing Business Park Development

Watertown's existing business park uses consist of office warehouse/industrial, commercial office and bulk warehouse buildings, and total over 235,800 square feet and occupy 50 acres. Bulk warehouse is the largest category with over 228,000 square feet of gross leasable area, as shown in Table 12-1. Watertown presently has no office showroom space.

Table 12-1

WATERTOWN BUSINESS PARK AND LAND; 1986 TO 2006  
MULTI-TENANT AND SINGLE TENANT BUILDINGS  
(Square Feet and Acres)

<u>Category</u>	<u>Pre-1986 Sq. Feet</u>	<u>1986-1991 Sq. Feet</u>	<u>1992-1996 Sq. Feet</u>	<u>1997-2001 Sq. Feet</u>	<u>2002-2006 Sq. Feet</u>	<u>Gross Leasable Area</u>	<u>Land (acres)</u>
<b>Commercial Office</b>							
Multi-Tenant	-	-	-	-	-	-	-
Single Tenant	3,900	-	-	-	-	3,900	1.0
Subtotal	3,900	-	-	-	-	3,900	1.0
<b>Office Warehouse/Industrial</b>							
Multi-Tenant	-	-	-	-	-	-	-
Single Tenant	3,584	-	-	-	-	3,584	1.0
Subtotal	3,584	-	-	-	-	3,584	1.0
<b>Bulk Warehouse</b>							
Multi-Tenant	66,004	-	22,000	49,203	-	137,207	26.0
Single Tenant	87,180	-	-	4,000	-	91,180	22.0
Subtotal	153,184	-	22,000	53,203	-	228,387	48.0
<b>Total</b>	160,668	-	22,000	53,203	-	235,871	50.0

Source: Carver County and McComb Group, Ltd.

## Office Warehouse/Industrial Demand

The office warehouse/industrial category also includes office research, office manufacturing, and other types of similar uses. Watertown has not experienced office warehouse/industrial development over the past 20 years. Current inventory includes 3,600 square feet of office warehouse/industrial space, as shown in Table 12-2.

Table 12-2  
WATERTOWN OFFICE WAREHOUSE/INDUSTRIAL BUILDINGS  
GROSS BUILDING AREA BY FIVE-YEAR PERIOD  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1991-06 Increase
<b>CARVER COUNTY</b>						
Total Space	1,373.3	2,327.6	3,155.0	4,356.9	4,629.5	
Total Net Absorption		954.3	827.4	1,201.9	272.6	3,256.2
<b>WATERTOWN</b>						
Total Space	3.6	3.6	3.6	3.6	3.6	-
Net Absorption		-	-	-	-	-
Percent of Carver		- %	- %	- %	- %	- %

Source: Carver County and McComb Group, Ltd.

Future office warehouse/industrial demand in Watertown is based on estimated market share from 2007 to 2030. Watertown has not experienced office warehouse/industrial development in the past 20 years. Watertown is not expected to capture much office warehouse/industrial space in the future.

## Bulk Warehouse Demand

Between 1986 and 2006, over 2.2 million square feet of bulk warehouse space was absorbed in Carver County. Watertown captured 3.4 percent of Carver County's bulk warehouse absorption, or 75,200 square feet as shown in Table 12-3. Single tenant buildings represent 60 percent of Watertown's bulk warehouse space. There was 228,400 square feet of bulk warehouse space in 2006.

Table 12-3  
WATERTOWN BULK WAREHOUSE BUILDINGS  
GROSS BUILDING AREA BY FIVE-YEAR PERIOD  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1991-06 Increase
<b>CARVER COUNTY</b>						
Total Space	2,218.9	3,212.7	3,772.3	4,069.6	4,421.2	
Total Net Absorption		993.8	559.6	297.3	351.6	2,202.3
<b>WATERTOWN</b>						
Total Space	153.2	153.2	175.2	228.4	228.4	
Net Absorption		-	22.0	53.2	-	75.2
Percent of Carver		- %	3.9 %	17.9 %	- %	3.4 %

Source: Carver County and McComb Group, Ltd.

Metropolitan Area bulk warehouse absorption is estimated to increase at 3.5 percent between 2006 and 2030, with the southwest growth corridor capturing a decreasing share of the increase, starting with 7.0 percent in 2007, decreasing to 5.0 percent by 2026. Carver County is estimated to capture 37.0 percent of the southwest growth corridor absorption, as shown in Table 12-4. Bulk warehouse absorption in Watertown is estimated at 5.0 percent per year between 2007 and 2030. This results in an estimated 21,000 additional square feet of bulk warehouse space, with an additional 5,000 square feet for contingency, resulting in a total estimated increase of 26,000 square feet of bulk warehouse space.

Table 12-4  
 FUTURE BULK WAREHOUSE SPACE DEMAND; 2006 TO 2030  
 METRO AREA, SOUTHWEST SUBMARKET, CARVER COUNTY AND WATERTOWN  
 (In Thousands of Dollars)

Year	Metro Area		Southwest Submarket		Carver County		Watertown		
	3.5% Cumulative	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Market Share	Annual Sq. Ft.	Cumulative Sq. Ft.
2006	14,985								
2007	15,509	524	7.0 %	37	37.0 %	14	5.0 %	1	1
2008	16,052	543	7.0	38	37.0	14	5.0	1	1
2009	16,614	562	7.0	39	37.0	15	5.0	1	2
2010	17,196	581	7.0	41	37.0	15	5.0	1	3
2011	17,797	602	6.5	39	37.0	14	5.0	1	4
2012	18,420	623	6.5	40	37.0	15	5.0	1	4
2013	19,065	645	6.5	42	37.0	16	5.0	1	5
2014	19,732	667	6.5	43	37.0	16	5.0	1	6
2015	20,423	691	6.5	45	37.0	17	5.0	1	7
2016	21,138	715	6.0	43	37.0	16	5.0	1	8
2017	21,878	740	6.0	44	37.0	16	5.0	1	8
2018	22,643	766	6.0	46	37.0	17	5.0	1	9
2019	23,436	793	6.0	48	37.0	18	5.0	1	10
2020	24,256	820	6.0	49	37.0	18	5.0	1	11
2021	25,105	849	5.5	47	37.0	17	5.0	1	12
2022	25,984	879	5.5	48	37.0	18	5.0	1	13
2023	26,893	909	5.5	50	37.0	19	5.0	1	14
2024	27,834	941	5.5	52	37.0	19	5.0	1	15
2025	28,809	974	5.5	54	37.0	20	5.0	1	16
2026	29,817	1,008	5.0	50	37.0	19	5.0	1	17
2027	30,861	1,044	5.0	52	37.0	19	5.0	1	18
2028	31,941	1,080	5.0	54	37.0	20	5.0	1	19
2029	33,059	1,118	5.0	56	37.0	21	5.0	1	20
2030	34,216	1,157	5.0	58	37.0	21	5.0	1	21
Contingency (25%)									5
Total									26

Source: McComb Group, Ltd.

## Commercial Office Demand

Commercial office in this analysis includes multi-tenant and single tenant office buildings. Commercial office space in Carver County and Watertown are summarized in Table 12-5.

Table 12-5

**WATERTOWN COMMERCIAL OFFICE BUILDINGS**  
**GROSS BUILDING AREA BY FIVE-YEAR PERIOD**  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1986-06 Increase
<b>CARVER COUNTY</b>						
Total Space	282.9	718.2	801.0	922.5	1,033.7	
Total Net Absorption		435.27	82.80	121.50	111.20	750.77
Percent of Southwest		25.4 %	3.8 %	11.0 %	N/A %	15.3 %
<b>WATERTOWN</b>						
Total Space	3.9	3.9	3.9	3.9	3.9	-
Net Absorption		-	-	-	-	-
Percent of Carver		- %	- %	- %	- %	- %

Source: Carver County and McComb Group, Ltd.

No commercial office space has been constructed in Watertown since 1986. Single-tenant buildings represented 100 percent of Watertown's 3,900 square feet of commercial office space. It is unlikely that Watertown will attract this category of business park development in the near future.

### Office Showroom Demand

During the period 1986 to 2006, office showroom space in Carver County increased from 68,400 square feet to 239,700 square feet, as shown in Table 12-6. Watertown does not have any office showroom development at the present time, nor is it likely that it will develop in the near future. This space has only been developed in Chanhassen.

Table 12-6

**WATERTOWN OFFICE SHOWROOM BUILDINGS**  
**GROSS BUILDING AREA BY FIVE-YEAR PERIOD**  
(In Thousands of Square Feet)

	1986	1991	1996	2001	2006	1986-06 Increase
<b>CARVER COUNTY</b>						
Total Space	68.4	124.4	139.7	195.6	239.7	
Total Net Absorption		56.0	15.3	55.9	44.1	171.3

Source: Carver County and McComb Group, Ltd.

### Summary

Total business park space demand for 2008 through 2030 is estimated at over 21,000 square feet, as shown in Table 12-7. A contingency of 25 percent (5,000 square feet) has been provided for two reasons: 1) Watertown's growth will not end in 2030; and 2) the contingency space will provide for the possibility that demand for business park space exceeds the baseline estimates. These estimates of business park space are designed to provide an estimate of total space to be

needed by 2030. Demand for individual categories of development may vary from the individual estimates.

Table 12-7

WATERTOWN ESTIMATED BUSINESS PARK SPACE DEMAND; 2008 TO 2030  
(In Thousands of Square Feet)

Category	Estimated Demand	Contingency 25%	Total
Office Warehouse/Industrial	-	-	-
Commercial Office	-	-	-
Office Showroom	-	-	-
Bulk Warehouse	21	5	26
Total	21	5	26

Source: McComb Group, Ltd.

Estimated business park land demand for 2008 to 2030 is contained in Table 12-8. Land demand is estimated by dividing the estimated space demand by the amount of building area that can be placed on an acre of land. Commercial office, which has the highest parking demand, is estimated at 12,500 square feet per acre. The other building categories are estimated at 15,000 square feet per acre. This results in an estimated two acres of land necessary to accommodate the estimated growth of roughly 26,000 square feet of bulk warehouse space.

Table 12-8

WATERTOWN ESTIMATED BUSINESS PARK LAND DEMAND; 2008 TO 2030

Category	Square Feet (000)	Square Feet Per Acre	Acres
Office Warehouse/Industrial	-	15,000	-
Commercial Office	-	12,500	-
Office Showroom	-	15,000	-
Bulk Warehouse	26	15,000	2
Total	26		2

Source: McComb Group, Ltd.

Watertown has experienced 75,000 square feet of bulk warehouse development over the past 20 years. Watertown's location and proximity to major transportation routes indicates that significant new business park development is unlikely within the next 23 years. The methodology used in this analysis is based on historic development patterns that may not properly portray development potential in smaller communities. Watertown should consider identifying 15 to 20 additional acres for future business park development so that any potential demand can be accommodated in an orderly manner. This would be enough space to accommodate about 180,000 to 240,000 square feet of development.