

**APPENDIX F:**  
**Change in the Number of Occupied Storefronts Along**  
**University Avenue, 1st Quarter 2011 And UABA**  
**Vacancy Report Correspondence**



**Report: Change in the Number of Occupied Storefronts along University Avenue, 1<sup>st</sup> Quarter 2011**  
University Avenue Business Association, with technical support from U-PLAN

[www.universityavenuebiz.com](http://www.universityavenuebiz.com)

[www.u-plan.org](http://www.u-plan.org)

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### **Executive Summary**

On April 6, 2011, staff from the University Avenue Business Association (UABA) and U-PLAN conducted an inventory of the storefronts along University Avenue. The inventory draws on a comprehensive set of data on University Avenue businesses that was updated in August and December of 2010. As of December 15<sup>th</sup>, 2010, there were 429 occupied storefronts along University Avenue, with 145 between Emerald Street and Snelling Avenue, the area currently under light rail construction. By April 6<sup>th</sup>, 2011, 63 businesses left the corridor between Emerald Street and the Capitol and 13 new businesses formed, resulting in a net loss of 50 occupied storefronts when compared to December. This represents a loss of 11.7% of the businesses along the corridor that operate in storefronts in under a 4 month period. When storefronts in the construction zone are isolated, 17.2% fewer storefronts are now occupied, as compared to a reduction of 8.8% in the area not currently under construction. Moreover, 20 storefronts turned over to new businesses east of Snelling, while 3 storefronts in the construction zone turned over during this period. Most of the businesses lost were retail or professional services.

### **Background**

Several community organizations are working to provide outreach and technical support to the Corridor's small businesses. As construction progresses, it is important to understand exactly how many businesses are operating on the Avenue, how fiscally sound they might be, and how many workers they employ, among other factors. These and other baseline items will be addressed as part of a Business Occupancy Survey, a proposal prepared through a collaboration of the Hamline University School of Business, business groups and U-PLAN community planning studio.

After five weeks of light rail construction, UABA and U-PLAN have partnered to conduct a limited census of the storefronts along the Saint Paul section of University Avenue for comparison with data collected in December, 2010

### **Methodology**

In 2010, U-PLAN developed a data set that represents a current tally of businesses operating along the Central Corridor alignment as of July 2010, including the University of Minnesota East Bank through the Capitol area along University Avenue. Data were drawn from many sources, including Directories USA (DUSA), a data clearinghouse that sources information from direct phone calls, lists from Secretaries of State, and credit card companies, among others. A DUSA subscription was purchased by the Neighborhood Development Center of St. Paul. While this data set is likely one of the most comprehensive available, there can sometimes be a 3-month gap between the opening or closure of a business and when they are reported by DUSA. To ground-truth DUSA information, we added membership information from the University Avenue Business Association and Asian Economic Development Association. Other recently-tabulated data lists came from a capstone project at the University of Minnesota, which surveyed businesses from Lexington to Rice.

In December, 2010, U-PLAN worked with interns and UABA to update this list with business closures, new businesses and information on employees and revenues. In that data set, U-PLAN estimated that 1138 businesses were operating within the study area. Of those businesses, 438 were operating in storefronts along University Avenue in Saint Paul.

For this study, UABA sought to estimate the reduction in occupied storefronts by April 6<sup>th</sup>, 2011, or 5 weeks into light rail construction. To do this, UABA and U-PLAN utilized the following methodology:

**STEP ONE:** add businesses known to have been in operation prior to December 15<sup>th</sup>, 2010 to December 2010 list

**STEP TWO:** using updated December 2010 list, conduct inventory of corridor to identify:

<p>Businesses operational in December 2010 that occupy storefronts</p> <p><b>429</b></p> 	<p>Storefronts that have closed since December 2010</p> <p><b>63</b></p> 	<p>SPECIAL CASE: Businesses along the corridor that have relocated to Frogtown Square</p> <p><b>3</b></p> 
<p>New storefront businesses that have opened since December 2010</p> <p><b>13</b></p> 	<p>Storefronts that have turned over to new businesses Since December 2010</p> <p><b>23</b></p> 	

**STEP THREE:** using new information, isolate the businesses operating in storefronts between Emerald and Rice Streets. Calculate the following:

Total Number of Businesses in Storefronts, December  
*minus*

The number of businesses in storefronts that have closed as of April 6<sup>th</sup>, 2011  
*plus*

New businesses that have opened  
*equals*

The net gain or drop in occupied storefronts since December

**STEP FOUR:** perform the calculation in step three for the construction zone (Emerald to Snelling) and non construction zone (Snelling to Rice)

**Results**

CORRIDOR-WIDE RESULTS (Emerald to Rice Streets)									
Storefronts, Dec. 2010	429	Closed	63	Opened	13	Net gain (loss)	(50)	% gain (loss)	(11.7%)
CONSTRUCTION ZONE vs. NON-CONSTRUCTION ZONE									
	CONSTRUCTION ZONE (Emerald to Snelling)				NON-CONSTRUCTION ZONE (Snelling to Rice)				
Storefronts, Dec. 2010	145				284				
Closed	25				38				
New	0				13				
Net gain (loss)	(25)				(25)				
% gain (loss)	(17.2%)				(8.8%)				
Turnover	3				20				

Figure 1: Occupied Storefronts, December 2010 vs. April 2011

As shown in Figure 1, in under four months, the corridor has seen a 11.7% reduction in the number of occupied storefronts. Of the 63 businesses that have closed, a majority were clothing stores, full-service restaurants, general retail or provided a professional service (lawyers, medical providers, etc.). Further, the area under construction as of April 2011 saw a disproportionately larger reduction in the number occupied storefronts when compared to the area east of Snelling. Without additional information such as historic revenue trends, customer counts and other data directly from the businesses, it is difficult to know to what extent light rail construction was a factor. However, given that the rate of attrition in the construction zone is more than double that of the non-construction zone, it is likely that construction plays a significant factor. More information will be collected as part of a Business Occupancy Study proposed by U-PLAN and the Hamline School of Business.

**More Information**

For more information, contact UABA:

University Avenue Business Association  
 (651) 641-0334  
[www.universityavenuebiz.com](http://www.universityavenuebiz.com)

For questions on the technical aspects of this study, contact U-PLAN:

U-PLAN community planning studio  
 (651) 641-0293  
[www.u-plan.org](http://www.u-plan.org)

August 9, 2012

Jack McCann  
UABA Board President  
C/O Update Company  
2380 Wycliff, #200  
St. Paul, MN 55114

Dear Jack:

Here are the results of UABA's sixth quarterly storefront vacancy survey from Emerald to Rice Street conducted on August fourth and fifth, 2012.

	May	August	November	February	May	August
Occupied	312	314	308	314	311	311
Vacant	86	95	98	86	93	96
Total	398	409	406	400	404	407
Vacancy Rate	21.6%	23.3%	24.1%	21.5%	23.0%	23.6%

**Some comments.** From May 2012 to August 2012 my sample saw little change. An Enterprise Car Rental store opened up where the offices of Brother's Auto used to be. Work is in progress on Culver's. The segment of my sample that is malls with surface parking – 59 total storefronts – is virtually unchanged from May 2011.

**What I am counting.** In general terms, I am counting whatever the average person would observe to be a University Avenue storefront shop window business space.

Doing this type of field observation survey you encounter lots of variations, so establishing and refining the survey sample is important. Beginning with the first survey in May 2011, I established a fairly extensive list of inclusions and exclusions based on some basic definitions. This is what keeps the survey apples-to-apples each quarter.

Here are some examples of my protocol. I include storefronts that face University in Midway Center (Defined as the malls from Snelling to Hamline.) and Unidale.

I exclude office buildings, government, nonprofits (except where buildings owned or rented by nonprofits have private sector shops), and religious uses (where it is obvious that is the primary use).

Businesses that face streets that bisect University are not included with the exceptions of Flamingo Restaurant and 474 Hamline. Businesses in buildings with parking lots that have entrances right off of University and businesses that present as storefronts, but face perpendicularly to University are included (712 University is an example.). Buildings that require driving on a bisecting street to enter the parking lot, like Griggs Midway, are not counted. Sunrise Mercantile is not included because I decided it does not present as a storefront.

There is some flex in the survey's total sample count every quarter due to retail spaces being consolidated, sub-divided, or rehabbed and re-opened.

It is worth noting that when a building is demoed, I remove it from the sample. So, we can expect the total sample to shrink in the future; particularly when the Zimmerman Building is demolished.

Jack, I can be reached at 612-408-7418 or [jandjvaugfhn@comcast.net](mailto:jandjvaugfhn@comcast.net). Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read 'John Vaughn', with a long horizontal line extending to the right from the end of the signature.

John Vaughn