

BRTOD PLANS—Appendix D

Market Gap Assessment:

Introduction

This section presents a gap analysis of development potential along the planned Gateway Corridor. The METRO Gold Line (Gateway Corridor) is a 9-mile Bus Rapid Transit (BRT) project planned to run through Ramsey and Washington Counties in Minnesota. The new Gateway Corridor is planned to have 10 stations with five stations in St. Paul, one station in Maplewood, two stations in Oakdale, and two stations in Woodbury. The purpose of the project is to meet the existing and long-term needs for the traveling public and businesses along the corridor.

The Housing Inventory report analyzed the demographic, educational, and land uses and property information for each of the station areas. The Market Analysis report included an assessment of the existing supply of and market conditions for retail, office, hospitality, senior housing and for rental and for-sale housing in the area. The scope of the Gaps Analysis report focuses on identifying housing gaps along the corridor and concludes with preliminary recommendation of commercial and/or multifamily real estate use(s) best suited for the subject area within a ¼-mile radius of each station area.

The methodology used to evaluate the market potential for commercial and multifamily space in this study is proprietary to Maxfield Research but is consistent with methodologies used by analysts throughout the real estate sector. This report includes both primary and secondary research. Primary research includes the Site visit and interviews with planning staff from Market Area communities. Secondary research is credited to the source when used, and is usually data from the U.S. Census or regional planning agencies. Secondary research is always used as a basis for analysis, and is carefully reviewed in light of other factors that may impact projections.

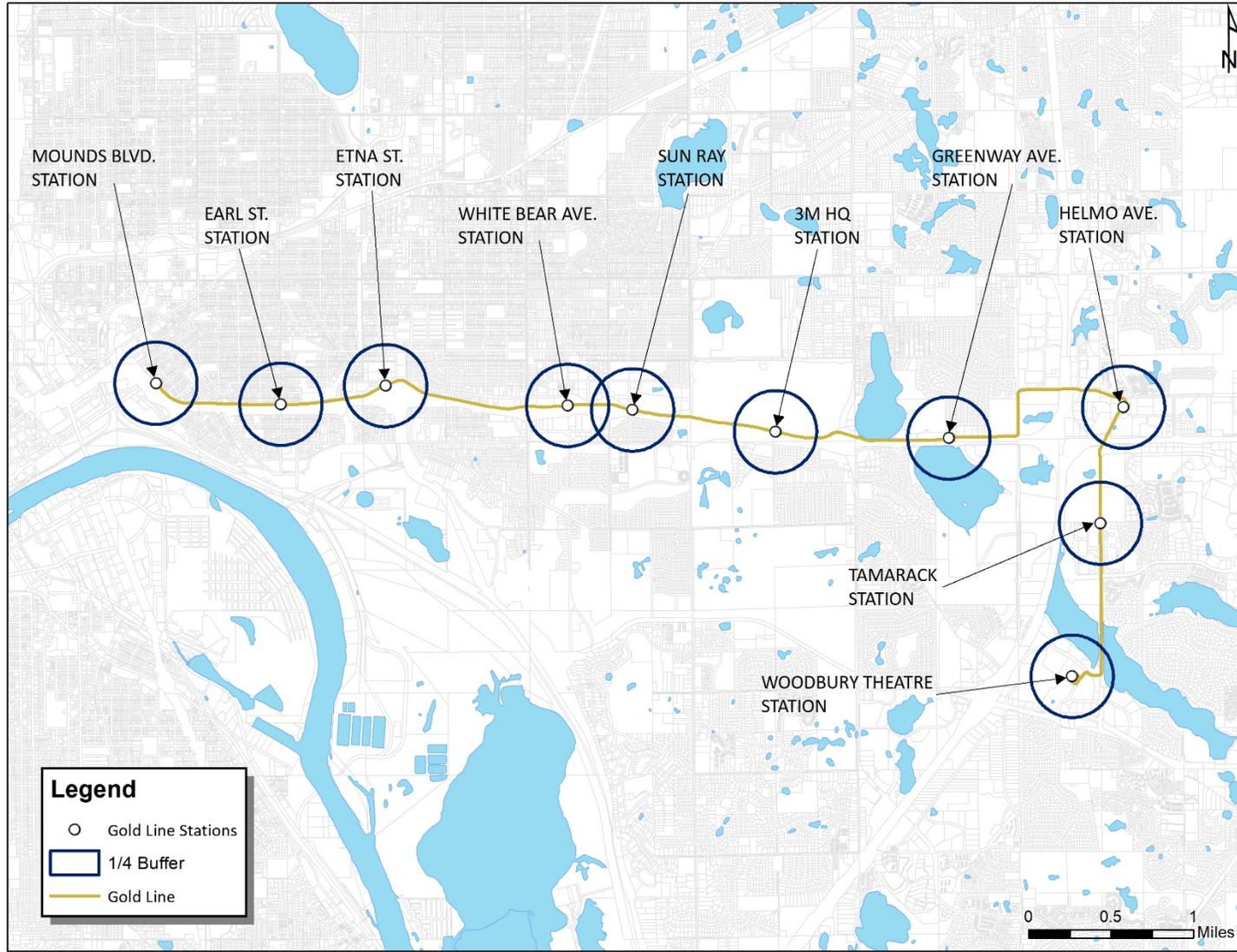
As planned, the 9-mile Gateway Corridor will have stations in St. Paul, Maplewood, Oakdale, and Woodbury. This report focuses on development sites within a quarter-mile radius of each station area. Householders in denser locations generally fully-developed whereas vacant sites are more prominent in the suburban station areas moving east. As a result, most new development in denser neighborhoods will result from redevelopment as few vacant parcels exist. The suburban communities have a greater potential to capitalize on real estate development opportunities beyond the half-mile corridor.

Primary Objectives

The Gaps Analysis provides a review of existing conditions, demographics, land use, growth patterns, and housing market conditions. The Gaps Analysis provides an analysis regarding the potential for residential and commercial development within the corridor as a whole, and for individual station areas, and identifies future supply gaps. The report recaps previously completed Gold Line analysis (Housing Inventory and Market Analysis) and addresses the redevelopment potential along the corridor and each station area. In essence, the corridor Gaps Analysis addresses the following questions:

- What housing types are missing from the Corridor?
- What are the strengths and weaknesses along the Corridor?
- What are the most advantageous sites for housing and commercial development within ½ mile of each station?

Gold Line Stations Overview Map



Station Area Summary

Table 1 provides a summary of key demographic, employment, and housing stock summaries that were illustrated in the *Housing Inventory* report. The following points outline key trends across the corridor.

- The most populated station areas are the Earl Street (6,357) Sun Ray (6,049), and Etna Street (5,451) station areas. These station areas are the densest with the highest population densities and are located in the western half of the corridor.
- About one-third of all householders along the corridor live alone; ranging from 21% of households at the Woodbury Station to 41% at Sun Ray Station. Generally, the westernmost station areas have a higher percentage of persons living alone than the eastern station areas.
- The average household size across the corridor is 2.71 persons per household. Household sizes varies from 1.97 persons at the Helmo Avenue Station to 3.02 persons at Mounds Boulevard Station.
- The median household income across the corridor is nearly \$53,000. Median incomes range from \$38,750 at the Etna Street Station to over \$98,000 at the Woodbury Station. The highest incomes are at the eastern-most stations (Helmo Avenue, Tamarack Station, and Woodbury Station).
- Nearly one-half of all households along the Gateway Corridor are persons of color. The five westernmost stations areas are more diverse as minorities account for between 52% and 62% of households. The four easternmost station areas average about 20% minority populations.
- Excluding the 3M Station area, the number of jobs near the station varies from about 400 jobs at the Etna Street Station to over 2,600 at Woodbury Station. The Woodbury station also boasts jobs with the highest incomes as over 60% of all workers earn over \$3,333/month in wages. The Earl Street and White Bear Avenue station areas have the lowest wages as over 42% of all jobs pay less than \$1,250/month.
- The vast majority of households that reside within a ½-mile of the station area do not also work in the area. About 94% of workers who live near a station commute to a job outside the ½-mile radius.
- About 24% of all households along the corridor have a Bachelor's or Advanced Degree. The percentage of higher educational householders increase moving west to east across the corridor. About 20% of households at the Mounds Boulevard Station have a four-year degree or more compared to 29% at the Woodbury Station.
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- Roughly 52% of the householder along the corridor are homeowners. Homeownership rates range from 33% near the Sun Ray Station to 84% near the Tamarack Station.
- Over two-thirds' of homeowners have a mortgage. The Greenway Avenue Station has the lowest percentage of mortgages (68.5%) while nearly 82% of homeowners at the Mounds Boulevard, Earl Street, and Tamarack Station have a mortgage.
- The age of the housing stock follows the urban to suburban movement as the station areas in St. Paul are comprised of the older housing stock vs. newer development in Washington County near the Woodbury and Oakdale station areas. Over one-half of the housing stock developed in the Mounds Boulevard and Earl Street Stations was constructed prior to 1940; compared to less than 4% of the housing stock from the White Bear Avenue Station to the Woodbury Station.
- Single-family detached homes comprise 27% of the housing stock along the corridor; ranging from only 5% near the Helmo Station to 55% at the Earl Street Station. General-occupancy apartments are the largest housing type in the Gateway Corridor as about 55% of the units are in rental multifamily housing units. There are few apartments at the Helmo Avenue and Tamarack Station while the White Bear Avenue and Woodbury Station make-up 86% of the housing units.
- Age-restricted senior apartments comprise 7% of the housing units along the corridor; however, five of the station areas have no senior housing in the ½-mile radius. The Earl Street Station and Helmo Avenue Station have the highest concentrations of senior housing.

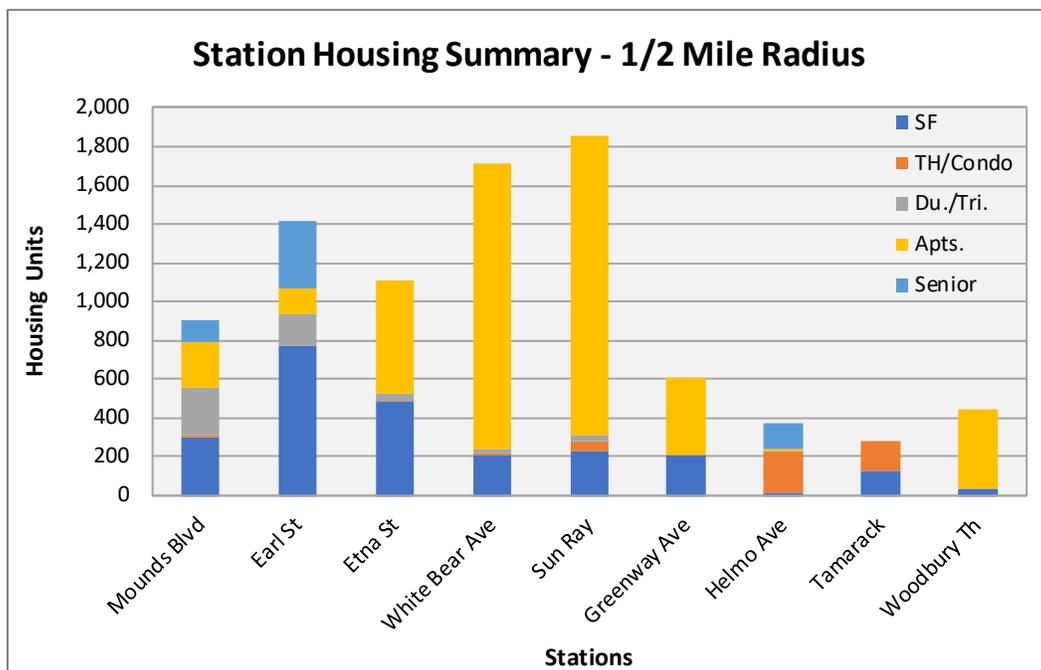
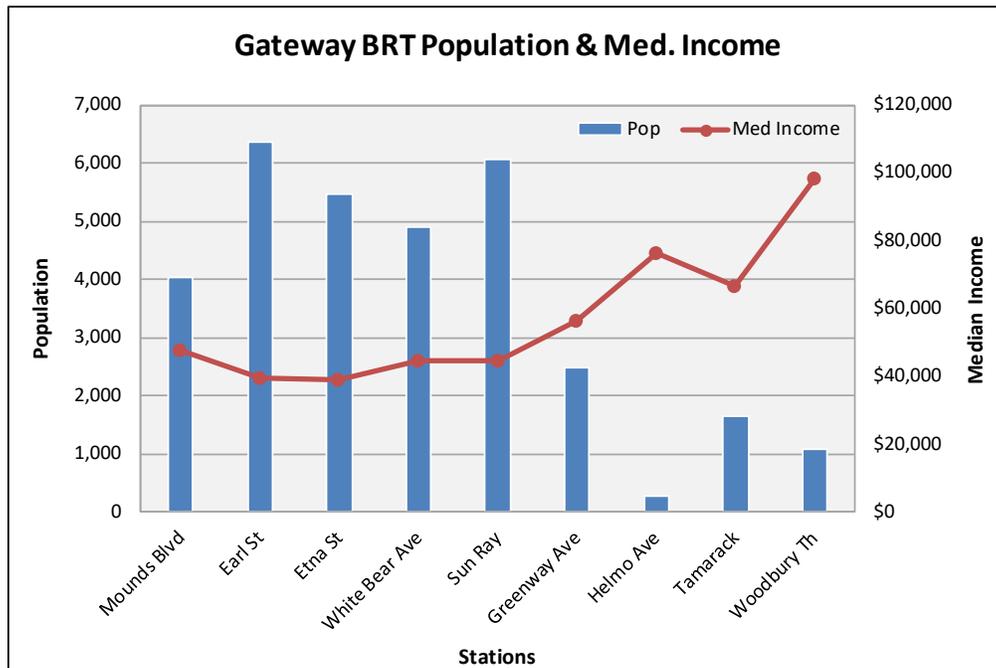
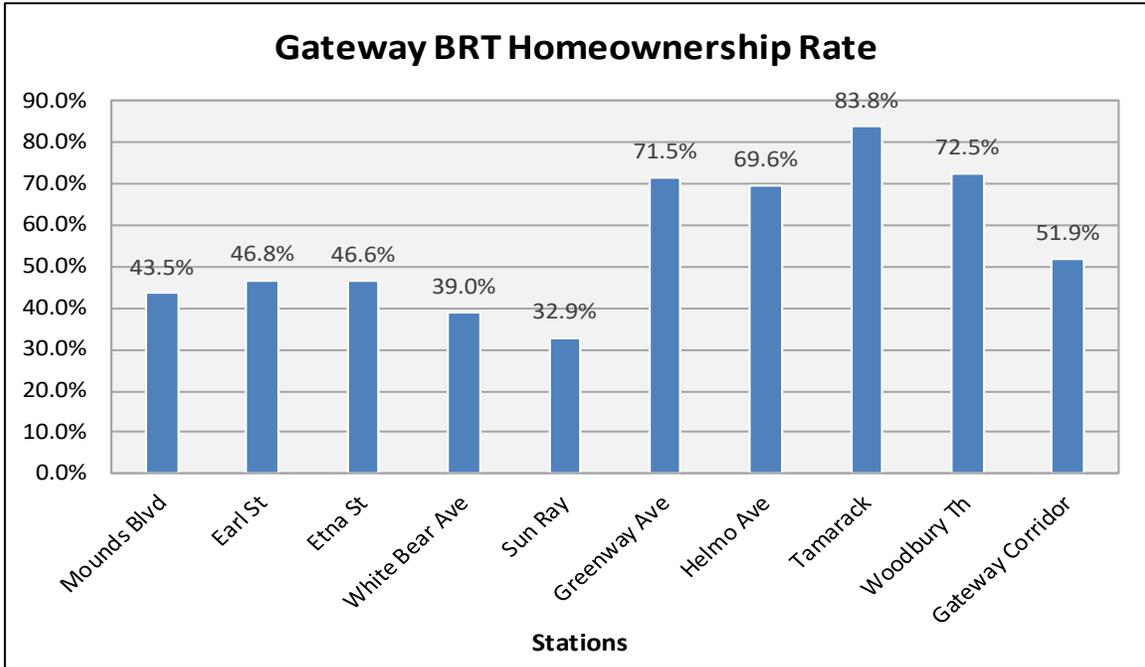


TABLE 1 STATION AREA SUMMARY HALF-MILE RADIUS										
	Corridor Total	Mounds Blvd.	Earl Street	Etna Street	White Bear Ave.	Sun Ray	Greenway Ave.	Helmo Ave.	Tamarack Station	Woodbury Station
Demographic Summary										
Population	33,950	4,036	6,367	5,451	4,902	6,049	2,490	290	1,635	1,075
Households	12,521	1,292	2,379	2,048	1,930	2,723	1,011	147	668	432
Population Density	12.2	12.61	19.90	17.03	15	18.90	7.78	0.91	5.11	3.36
HHDS w/children	33.0%	39.5%	32.5%	33.5%	35.4%	29.1%	29.5%	29.0%	34.0%	32.9%
Live Alone HHDS	32.9%	30.0%	39.3%	39.8%	32.9%	41.1%	28.0%	33.3%	26.4%	21.9%
HHD Size	2.71	3.02	2.62	2.62	2.52	2.21	2.41	1.97	2.45	2.44
Median HHD Income	\$52,930	\$47,668	\$39,649	\$38,750	\$44,660	\$44,704	\$56,400	\$76,217	\$66,646	\$98,415
Median Net Worth	\$70,219	\$14,718	\$28,113	\$40,382	\$59,330	\$60,222	\$148,728	\$178,220	\$146,369	\$228,149
Pct. Minority	48.7%	61.5%	53.5%	52.1%	59.8%	55.4%	19.1%	20.1%	23.8%	21.2%
Employment Summary										
Total Jobs	16,440	1,097	532	392	1,982	910	919	754	928	2,614
Jobs by Earnings										
Less than \$1,250/mo.	24.8%	30.9%	44.7%	24.8%	42.4%	25.1%	22.6%	22.1%	20.4%	17.9%
\$1,251 - \$3,333/mo.	34.8%	22.4%	43.5%	44.4%	41.1%	40.1%	27.6%	25.5%	28.4%	21.5%
More than \$3,333/mo.	40.3%	46.7%	11.8%	30.8%	16.6%	34.8%	49.7%	52.4%	51.2%	60.6%
Worker Educational Attainment										
Less Than High School	7.5%	8.3%	8.2%	8.2%	8.6%	8.6%	7.1%	2.9%	6.0%	5.1%
High School or Equivalent, No College	18.4%	16.7%	18.4%	17.9%	17.7%	18.7%	19.1%	19.7%	18.7%	19.0%
Some College or Associate Degree	23.1%	23.3%	22.0%	21.5%	22.4%	23.1%	25.1%	28.0%	24.6%	23.9%
Bachelor's Degree or Advanced Degree	23.7%	19.9%	20.5%	20.8%	22.2%	22.8%	24.6%	26.8%	28.1%	29.3%
Educational Attainment Not Available	27.3%	31.8%	30.9%	31.6%	29.1%	26.9%	24.1%	22.6%	22.6%	22.8%
Where Station Area Workers Live										
Employed in Station Area but Living Outside	94.5%	99.2%	99.2%	100.0%	97.5%	98.8%	100.0%	100.0%	99.5%	98.7%
Employed & Living in Station Area	5.5%	0.9%	0.8%	0.0%	2.5%	1.2%	0.0%	0.0%	0.5%	1.3%
Place of Work for Station Area Residents										
Living in Station Area but Employed Outside	94.2%	99.5%	97.6%	100.0%	97.8%	98.4%	100.0%	100.0%	99.8%	99.8%
Living & Employed in Station Area	5.8%	0.5%	2.4%	0.0%	2.2%	1.6%	0.0%	0.0%	0.2%	0.2%
Housing Summary										
HO Rate	51.9%	43.5%	46.8%	46.6%	39.0%	32.9%	71.5%	69.6%	83.8%	72.5%
HO Pct. w/Mortgage	68.6%	81.6%	81.5%	79.9%	76.1%	75.6%	68.5%	79.2%	81.9%	77.8%
Age of Housing Stock										
Pre-1940	19.0%	67%	48%	19%	4%	2%	4%	3%	0%	1%
1940-1959	20.7%	10%	19%	29%	61%	22%	28%	9%	1%	1%
1960-1979	30.7%	15%	18%	26%	29%	46%	45%	25%	17%	25%
1980-1999	22.0%	5%	6%	12%	4%	29%	19%	50%	58%	47%
2000+	7.6%	3%	9%	13%	2%	1%	3%	14%	24%	26%
Housing Type										
SF Detached	27.4%	33.2%	54.5%	43.6%	12.2%	12.5%	33.6%	4.8%	44.4%	8.9%
TH & Condo	5.1%	1.0%	0.0%	0.3%	0.6%	2.6%	0.0%	57.3%	55.6%	0.0%
Duplex/Tri	5.8%	27.8%	11.7%	3.2%	1.1%	1.7%	0.0%	0.0%	0.0%	0.0%
Apartment	54.9%	25.5%	9.3%	52.9%	86.1%	83.2%	66.4%	1.3%	0.0%	91.1%
Senior	6.8%	12.5%	24.5%	0.0%	0.0%	0.0%	0.0%	36.6%	0.0%	0.0%
Median Resale Price	\$178,095	\$111,275	\$142,196	\$130,000	\$161,437	\$133,907	\$177,450	\$195,950	\$249,863	\$263,307
Median Contract Rent	\$833	\$806	\$766	\$681	\$810	\$815	\$952	\$1,042	\$1,087	\$1,237
Housing Affordability										
Affordable Home Price based on HH Income	\$185,255	\$166,838	\$138,772	\$135,625	\$156,310	\$156,464	\$197,400	\$266,760	\$233,261	\$344,453
Affordable Rent based on HH Income	\$1,323	\$1,192	\$991	\$969	\$1,117	\$1,118	\$1,410	\$1,905	\$1,666	\$2,460
Note: Overlap occurs at the 1/2-mile radius and fall into two station area submarkets										
Sources: U.S. Census, American Community Survey, ESRI, U.S. Census Longitudinal Employer-Household Dynamics (LEHD), Maxfield Research & Consulting, LLC										

- The median resale price of a home for-sale in the corridor was about \$178,000. Based on the corridor median income of approximately \$53,000, a householder earning the median income would be able to afford a home priced at around \$185,000 based on today’s interest rates of 4.6% on a 30-year fixed mortgage. As a result, the existing for-sale housing stock is considered affordable based on household incomes and low rates. However, affordability will continue to wane as the Federal Reserve has indicated future rate hikes are on the horizon.
- Similarly, the existing rental stock is considered affordable based on the same household incomes. The median contract rent for the corridor is \$833/month; whereas the monthly rent a household could afford based on median income is over \$1,300/month. Rents are lowest at the Etna and Earl Street Stations (\$681 to \$766) and highest at the Woodbury Station (\$1,237).





Mounds Blvd. Station

Introduction

The first station outside downtown Saint Paul is the Mounds Boulevard Station. The quarter-mile radius around the station area consists primarily of a blend of older single-family homes, duplexes, smaller apartment buildings and commercial property. This neighborhood is the oldest along the corridor, with homes and buildings dating to the 1880s. The station area also includes Metro State University, which occupies a several block area approximately two blocks north of the station. The station area is also defined and restricted by the Interstate 94 freeway and a significant grade change to the west, which effectively confines the walkable, buildable area to the north and east of the station.



Station Analysis

Site Strengths	Site Challenges
<ul style="list-style-type: none"> • The station location has strong visibility and convenient access to Interstate 94 and Downtown St. Paul via Kellogg Blvd. • Proximity to Metro State University and Downtown St. Paul • Potential to provide affordable housing to cost burdened households. 	<ul style="list-style-type: none"> • High Traffic Volume at the intersection of Mounds Blvd. & Kellogg Blvd./3rd Street East • Weak demographics/lower household incomes • Minimal retail and commercial uses near this station • Lack of sites for future redevelopment

Recommendations

The half-mile radius around the station area consists primarily of a mix of older single-family homes, duplexes, modest sized apartment buildings and Class C commercial properties. Within the station area also includes Metropolitan State University, boasting an enrollment of over 8,300 students.

Given the current boundaries of the station area which is constrained by Interstate 94 and a significant grade change to the west, opportunities for redevelopment are confined to the north and east of the station.

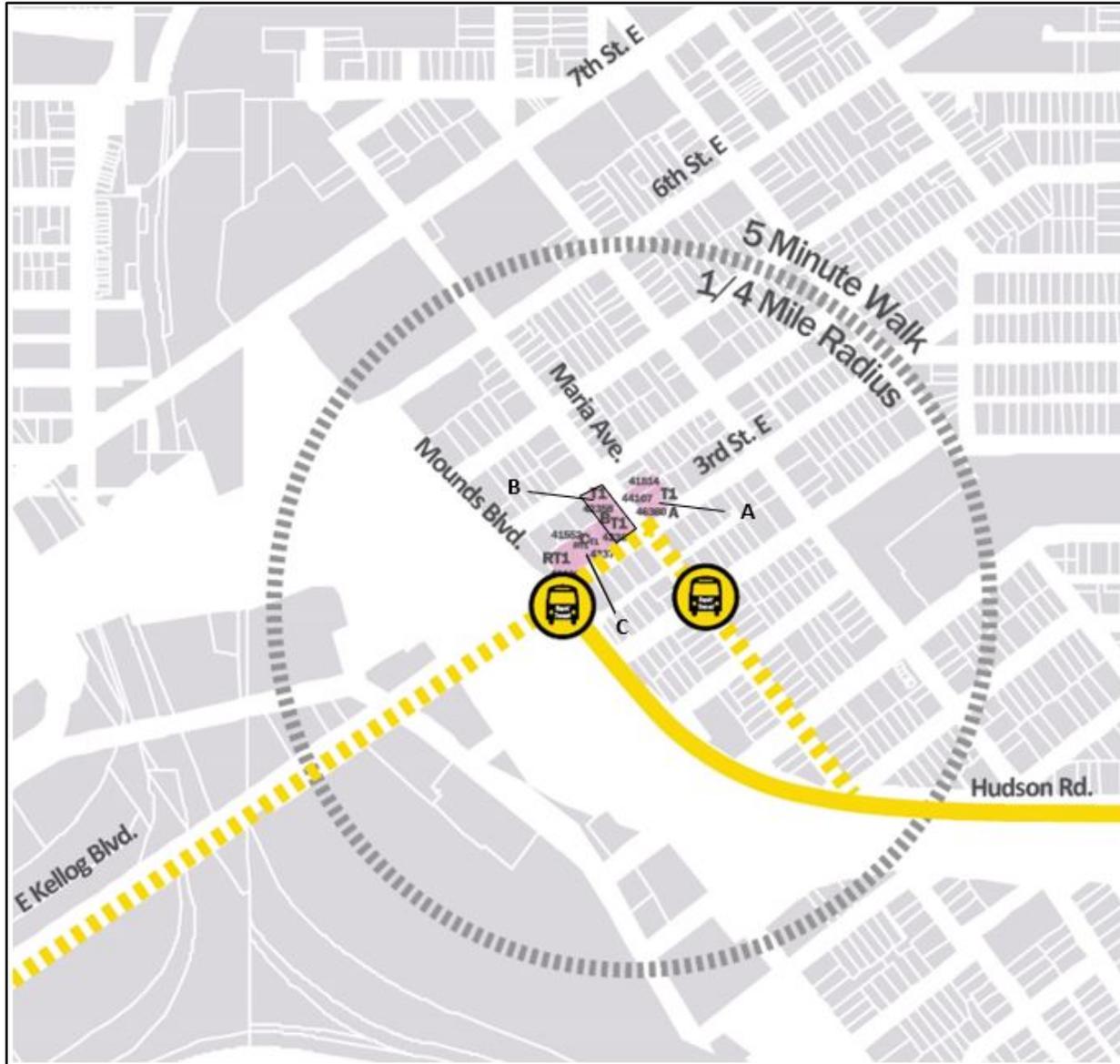
The potential to support new retail space is limited based on a number of reasons. First, the retail industry is undergoing significant changes E-commerce driven by on-line shopping is eliminating the need for many categories of traditional retail stores. Second, the calculated purchasing power within the defined area does not appear to be sufficient to support new retail space.

Office space in the station area has historically been dominated by smaller Class C buildings with limited space for redevelopment. Furthermore, planned and proposed office developments along the corridor would likely absorb any excess demand for office space.

The station area appears particularly well-suited for affordable units, although market rate units may also be desirable, but due to economies of scale may be difficult to acquire a larger site.

TABLE 1			
GAP ANALYSIS MATRIX			
GATEWAY BRT REDEVELOPMENT AREA			
	Mounds Blvd. Station		
	ST	LT	Total
Housing			
MR Rental Hsg. (Units)	0	0	0
Aff. Rental Hsg. (Units)	40	0	40
For-Sale MF (Units)	0	0	0
Senior Housing (Units)	0	0	0
Commercial			
Retail (Sq. Ft.)	2,000	2,000	4,000
Build-to-Suit Office (Sq. Ft.)	0	0	0
Hospitality (Keys)	0	0	0
Flex/Comm. Other	0	0	0
Source: Maxfield Research & Consulting, LLC			

Mounds Blvd. Station



Earl St. Station

Introduction

Located at the intersection of Hudson Road and Earl Street, the Earl Street station’s immediate surrounding land uses consist of a small commercial node with buildings dating to the 1920s. Beyond that, the surrounding neighborhood mostly is made up of single-family homes dating to the early 20th Century. The commercial buildings adjacent to the station provide opportunities for renovations but there are few infill sites. The station is also located adjacent to the Earl Street bridge that crosses Interstate 94 and has sidewalks for pedestrians to connect to the neighborhood south of the Interstate.



Station Analysis

Site Strengths	Site Challenges
<ul style="list-style-type: none"> • The station location has convenient access to neighborhoods South of Interstate 94 via the Earl Street Bridge • Proximity to large residential area • Proximity to Downtown St Paul and the area’s considerable employment base. 	<ul style="list-style-type: none"> • No direct access to Interstate 94 • Lack of developable sites for future redevelopment • Outdated commercial buildings on Hudson Rd. • Weak demographics/lower household incomes

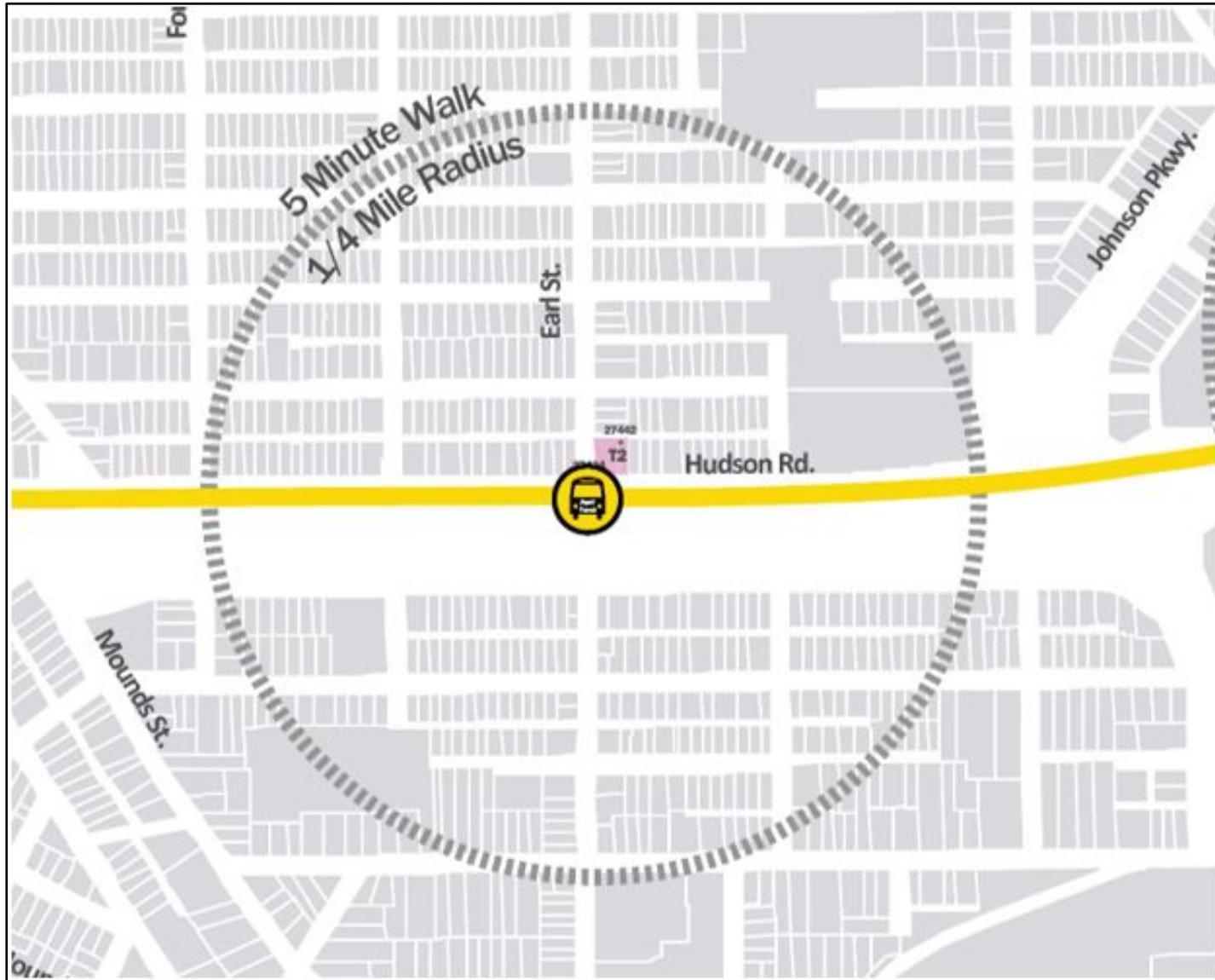
Recommendations

Limited vacant land supply and shortage of publicly-owned sites makes development at this station area difficult due to acquisition and redevelopment costs. It would require substantial investment or sale by private land/property owners and the objectives and risk tolerance of current property owners is currently unknown and will vary substantially.

Market dynamics limits the potential for market rate rental housing. Potential exists for housing which is affordable to lower income market segments, although public participation in development will likely be required due to development costs. As such, commercial space along Hudson Road would be the most viable redevelopment.

TABLE 2			
GAP ANALYSIS MATRIX			
GATEWAY BRT REDEVELOPMENT AREA			
	Earl St. Station		
	ST	LT	Total
Housing			
MR Rental Hsg. (Units)	0	0	0
Aff. Rental Hsg. (Units)	0	0	0
For-Sale MF (Units)	0	0	0
Senior Housing (Units)	0	0	0
Commercial			
Retail (Sq. Ft.)	0	2,500	2,500
Build-to-Suit Office (Sq. Ft.)	0	0	0
Hospitality (Keys)	0	0	0
Flex/Comm. Other	0	0	0
Source: Maxfield Research & Consulting, LLC			

Earl St. Station



Etna St. Station

Introduction

The immediate surroundings of the Etna Street station consists mainly of townhomes, apartments, and Metro 94, a large office park, with some single-family homes. Older homes in the area date to the 1920s or so, but some are as new as the 1950s. Multifamily housing dates from the 1960s to 2017.

The station’s walkability is impacted by freeway access ramps and an incomplete sidewalk network. Neighborhoods to the south of Interstate 94 are not accessible on foot from the proposed station, and single-family homes located east of Etna Street do not have pedestrian connections to the station.



Parcel A – Hudson Road & Earl Street East



Earl Street facing North

Station Analysis

Site Strengths	Site Challenges
<ul style="list-style-type: none"> • Good variety of multifamily and single-family housing in the immediate area • The station location has great visibility and convenient access to Interstate 94 • Low-rise and low-industrial uses in the area. 	<ul style="list-style-type: none"> • Poor pedestrian area with no direct walkable route to neighborhoods south of Interstate 94 • Weak demographics/lower household incomes • Minimal potential for feasible redevelopment

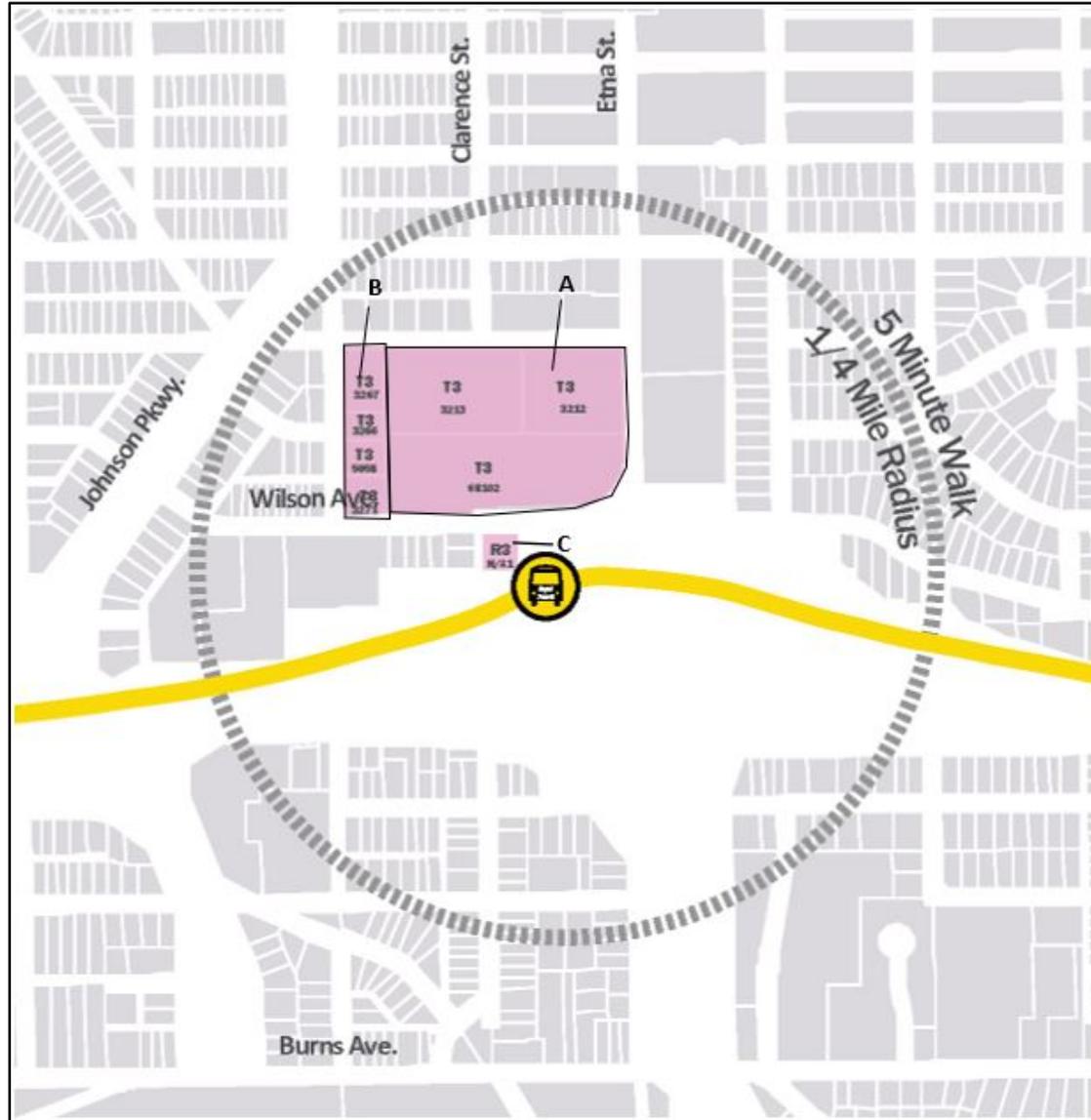
Recommendations

The area is fully developed with commercial space and residential uses. Redevelopment will be challenging due to the current land use, private ownership and development cost. Given the commercial nature of a large portion of the site area future residential development would be challenging. The Metro 94 Business Center currently occupies much of the developable space meaning future redevelopment to alternate use specifically residential would be very complicated and costly, and thus challenging.

Given the currently commercial use and existing residential some of the Metro 94 Business site could be redeveloped for commercial use.

TABLE 3 GAP ANALYSIS MATRIX GATEWAY BRT REDEVELOPMENT AREA			
	Etna St. Station		
	ST	LT	Total
Housing			
MR Rental Hsg. (Units)	0	0	0
Aff. Rental Hsg. (Units)	0	100	100
For-Sale MF (Units)	0	0	0
Senior Housing (Units)	0	0	0
Commercial			
Retail (Sq. Ft.)	0	8,000	8,000
Build-to-Suit Office (Sq. Ft.)	0	0	0
Hospitality (Keys)	0	0	0
Flex/Comm. Other	0	30,000	30,000
Source: Maxfield Research & Consulting, LLC			

Etna St. Station



White Bear Ave. Station

Introduction

The White Bear Avenue station, located at the intersection of Hazel Street and Old Hudson Road, contains large concentrations of apartment complexes dating to the 1960s and 70s, with a few single-family homes scattered in to the neighborhood. Significant commercial development is found on both sides of Interstate 94, although mostly on the south. Several apartment complexes are found within a short walk from the proposed station. There are numerous sites in the immediate vicinity that are excellent for redevelopment including several surface parking lots. Additional residential sites could be created by redeveloping these sites.



Station Analysis

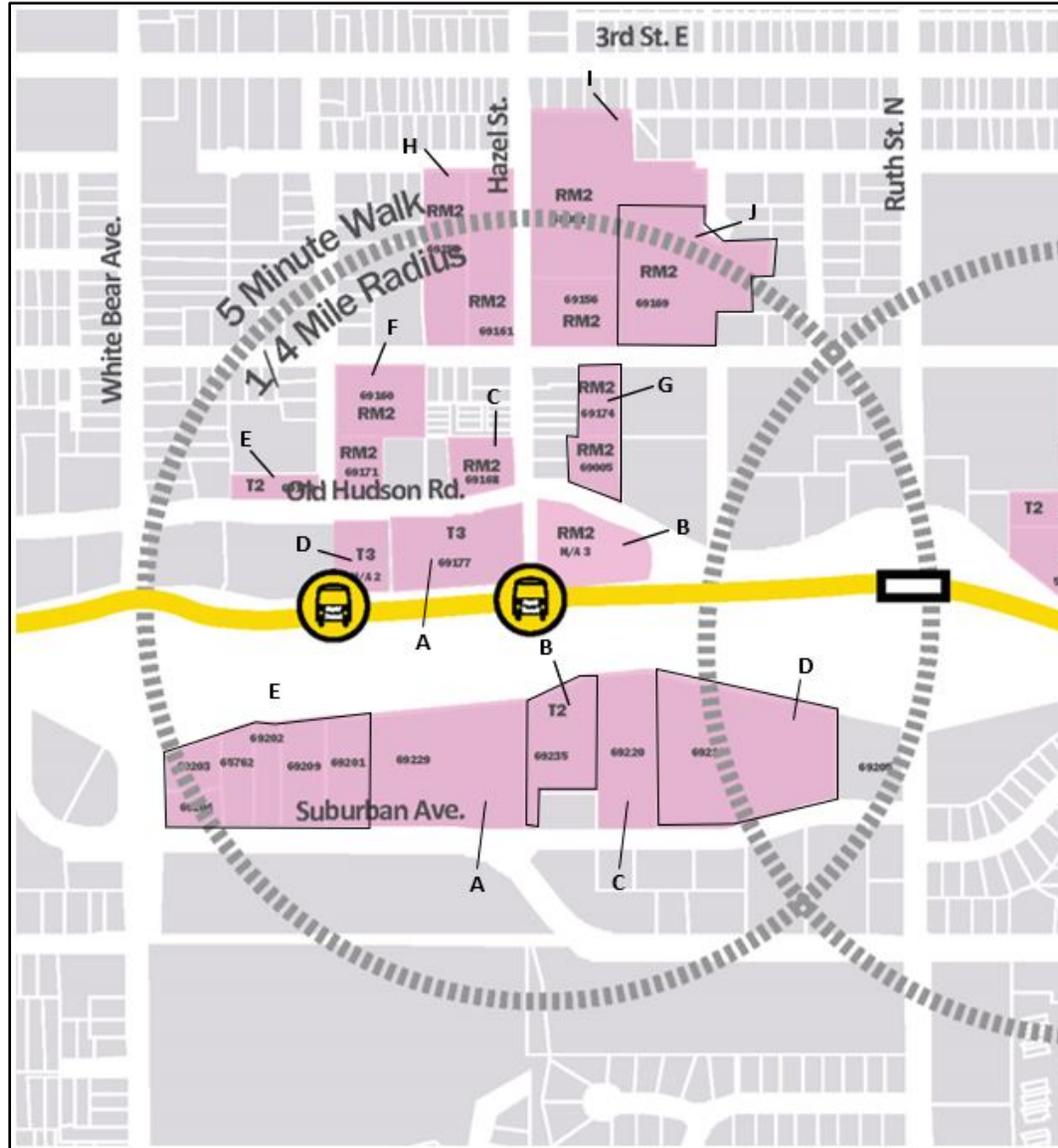
Site Strengths	Site Challenges
<ul style="list-style-type: none"> • Close proximity to larger multifamily developments and a few single-family homes • Strong opportunity for infill development • Large commercial developments located to the south and to the east of the proposed station location 	<ul style="list-style-type: none"> • No direct access to Interstate 94 or neighborhoods south of I-94 • Poor pedestrian area • Current neighborhood market dynamics (i.e. demographics)

Recommendations

There is limited potential for residential development within the immediate ¼ mile area surrounding the White Bear Avenue Station. The MnDot site provides the greatest opportunity for residential development with affordable housing appearing to be the most viable option followed by market rate apartments. The area features primarily older residential buildings and a mix of commercial-oriented land. Although there are a number of vacant buildings they will more than likely be currently zoned and occupied in the future with additional office/commercial improvements. The station area could support up to 100,000 square feet of commercial space through infill and redevelopment and a small for-sale multifamily component.

TABLE 4			
GAP ANALYSIS MATRIX			
GATEWAY BRT REDEVELOPMENT AREA			
	White Bear Ave. Station		
	ST	LT	Total
Housing			
MR Rental Hsg. (Units)	0	80	80
Aff. Rental Hsg. (Units)	80	0	80
For-Sale MF (Units)	0	14	14
Senior Housing (Units)	0	0	0
Commercial			
Retail (Sq. Ft.)	20,000	25,000	45,000
Build-to-Suit Office (Sq. Ft.)	0	40,000	40,000
Hospitality (Keys)	0	0	0
Flex/Comm. Other	0	20,000	20,000
Source: Maxfield Research & Consulting, LLC			

White Bear Ave. Station



Sun Ray Station

Introduction

The Sun Ray station area contains a large amount of retail uses anchored by the Sunray Shopping Center, with apartments beyond that and single-family homes further out.

The immediate vicinity of the station area includes large apartment complexes dating to the 1960s and 70s, the Sun Ray Shopping Center, a library and park. The general area is somewhat pedestrian friendly, but with several hostile pedestrian environments, including unfriendly freeway crossings.



Parcel A – Sun Ray Shopping Center



Parcel D – Bradley House Site

Station Analysis

Site Strengths	Site Challenges
<ul style="list-style-type: none"> • Located within close proximity to Sun Ray Shopping Center. • Retail employment • Significant amount of community amenities to the North (park, library, community center) • Access to Interstate 94 (Westbound only) and proximity to 3M campus • Close to larger multifamily developments • Large acreage for redevelopment opportunity 	<ul style="list-style-type: none"> • Access to neighborhoods south of Interstate 94 more challenging • Current neighborhood market dynamics (i.e. demographics) • Underutilized shopping center controlled by one property owner • Evolving retail market trends (i.e. closure of national-tenant chains)

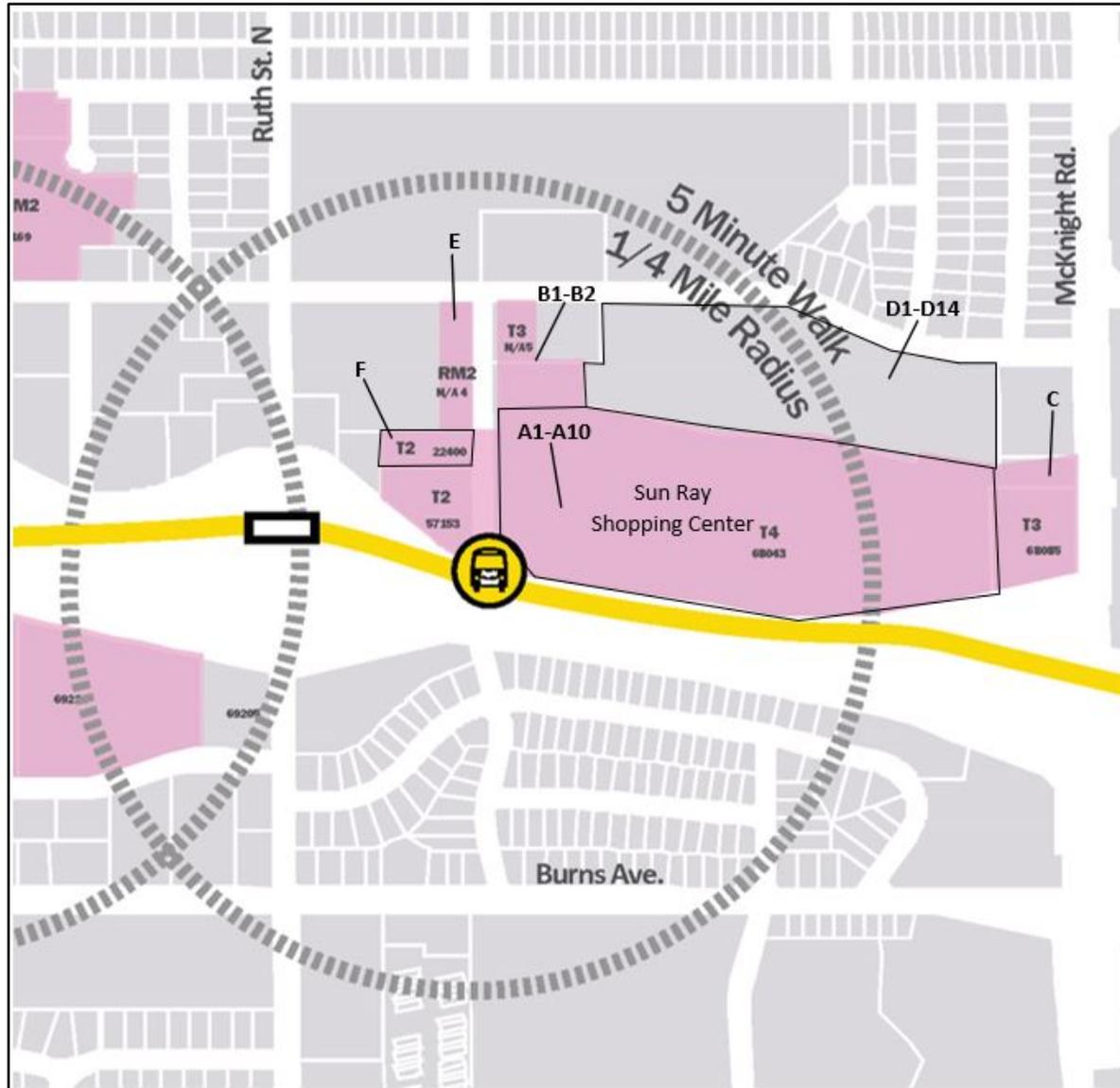
Recommendations

The sites associated with the Sun Ray Station are appropriate for multifamily housing with affordable housing being the greatest need in the short term. Market rate apartments are likely to become more viable mid-term in this area as well, as the area develops and the pedestrian and transit orientation improves, and as neighborhood commercial development improves. The short-term demand calls for a redevelopment of retail space and multifamily rental housing that could incorporate a first-level commercial space for neighborhood goods and services.

The proximity to 3M corporate headquarters, interstate visibility and access, limited hotel service in the immediate surrounding are help provide a solid platform for a future hotel development.

TABLE 5 GAP ANALYSIS MATRIX GATEWAY BRT REDEVELOPMENT AREA			
	Sun Ray Station		
	ST	LT	Total
Housing			
MR Rental Hsg. (Units)	200	400	600
Aff. Rental Hsg. (Units)	80	100	180
For-Sale MF (Units)	0	0	0
Senior Housing (Units)	0	100	100
Commercial			
Retail (Sq. Ft.)	80,000	80,000	160,000
Build-to-Suit Office (Sq. Ft.)	0	30,000	30,000
Hospitality (Keys)	0	100	100
Flex/Comm. Other	0	0	0
Source: Maxfield Research & Consulting, LLC			

Sun Ray Station



Greenway Ave. Station

Introduction

The Greenway station area consists of portions of Maplewood, Landfall, Oakdale and Woodbury. It contains a variety of single-family homes, a mobile home community, apartments and a few commercial properties. The area in general could benefit from enhanced pedestrian and bicycle facilities.

Immediately surrounding the proposed station area are a row of commercial properties located along Hudson Boulevard. To the north west is the City of Landfall, a 300-unit mobile home community. A single-family home community is found to the northeast in Oakdale.



Station Analysis

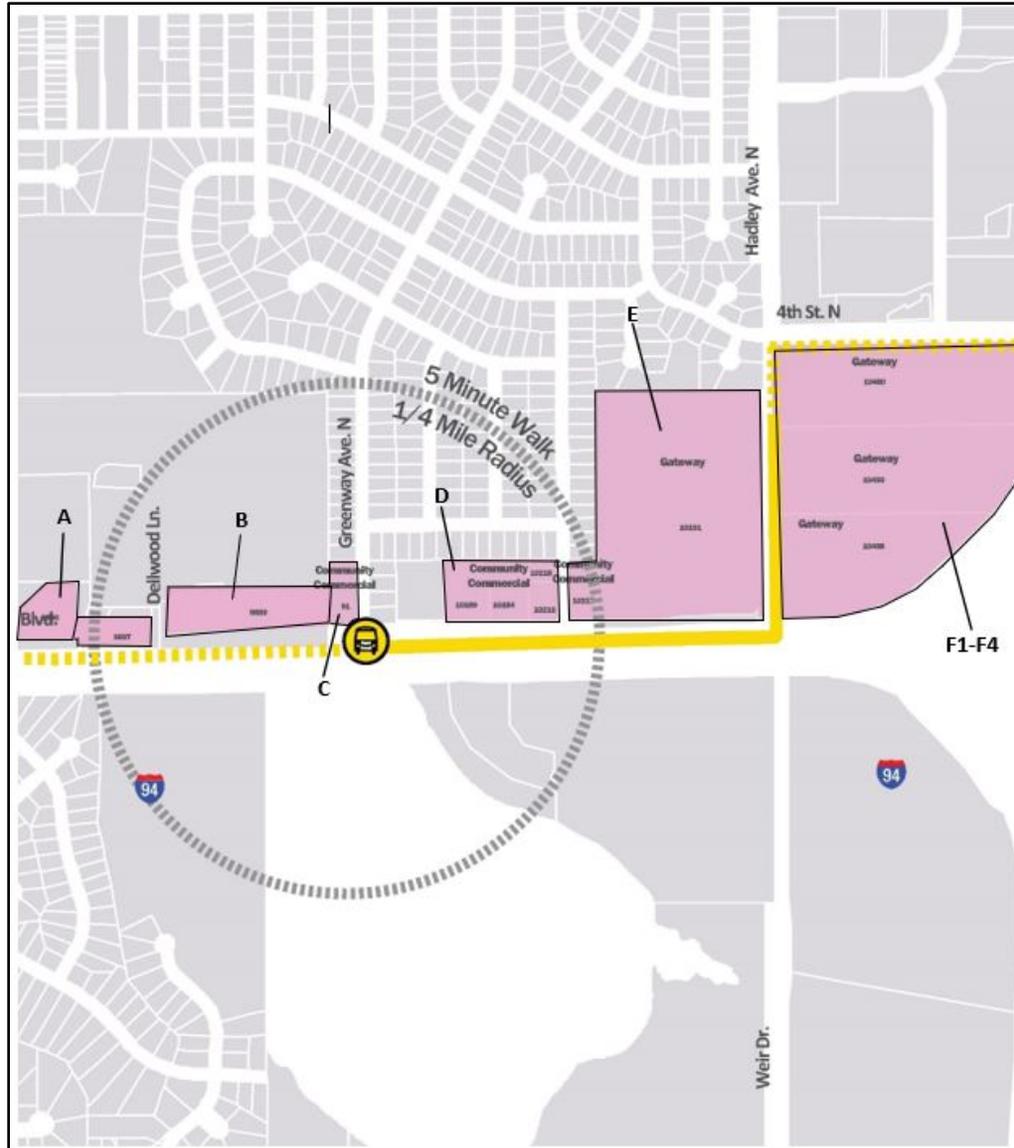
Site Strengths	Site Challenges
<ul style="list-style-type: none"> • The station benefits from good visibility and traffic counts from Interstate 94 • Destination retail attractions like Harley-Davidson and Indian Motorcycle dealerships • Redevelopment potential near Hadley Avenue 	<ul style="list-style-type: none"> • The station location has no direct access to Interstate 94 and neighborhoods south of the interstate • Limited amount of suitable development sites • Poor pedestrian area • Weak demographics

Recommendations

The area is mainly comprised with commercial space. The most likely redevelopment potential in the area would be on the commercial sites lining Hudson Boulevard. There is demand for both market rate and affordable apartment units in the near to mid-term. Additional commercial/retail development is likely limited to smaller developments. The Regan site, currently a natural wetland area, offers the best opportunity for commercial and retail space. This site could incorporate a first-level commercial space for neighborhood goods and services with apartment units above.

TABLE 6 GAP ANALYSIS MATRIX GATEWAY BRT REDEVELOPMENT AREA			
	Greenway Ave. Station		
	ST	LT	Total
Housing			
MR Rental Hsg. (Units)	80	120	200
Aff. Rental Hsg. (Units)	80	80	160
For-Sale MF (Units)	0	0	0
Senior Housing (Units)	0	0	0
Commercial			
Retail (Sq. Ft.)	25,000	20,000	45,000
Build-to-Suit Office (Sq. Ft.)	0	80,000	80,000
Hospitality (Keys)	0	0	0
Flex/Comm. Other	0	0	0
Source: Maxfield Research & Consulting, LLC			

Greenway Ave. Station

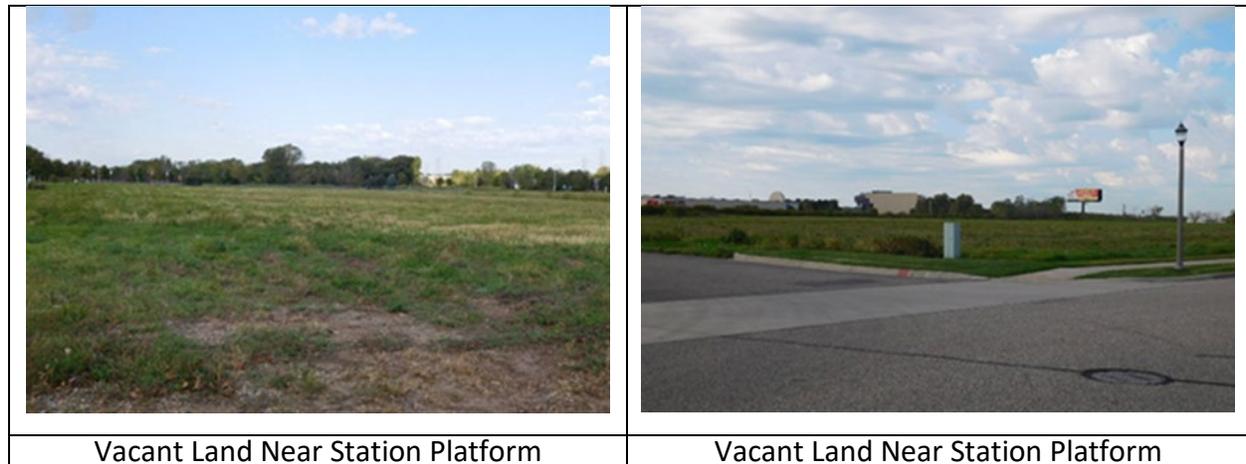


Helmo Ave. Station

Introduction

Located in Oakdale, the Helmo station area is the least developed of all stations along the Gateway Corridor. The station will be located at the intersection of 4th Street and Helmo Avenue, both of which are two-lane roadways with limited pedestrian facilities. The immediate area is made up of office/warehouses, office showrooms, townhomes, and a few single-family homes.

The numerous vacant parcels are most likely to be attractive to apartment developers, and a transit-friendly village has the potential to evolve over time. We believe there is demand for market rate and affordable apartments as well as additional demand for senior housing. We believe there may opportunities for build-to-suit office and retail development, although any office or retail use may be limited and based primarily on new development near the station.



Station Analysis

Site Strengths	Site Challenges
<ul style="list-style-type: none"> • Numerous vacant quality sites for development • Sites could support a wide variety of land use types (i.e. rental & for-sale housing, retail, office, and hospitality) • Proximity to many owner-occupied housing, including townhomes and single-family homes • Stronger demographics • Near intersection of I-94 and I-494/694 	<ul style="list-style-type: none"> • Moderate to poor pedestrian area • No direct access to Interstate 94 • Existing outdated land uses to the west of the site • Proximity to concentrated commercial uses to the east and south • Commercial vacancy rates above equilibrium

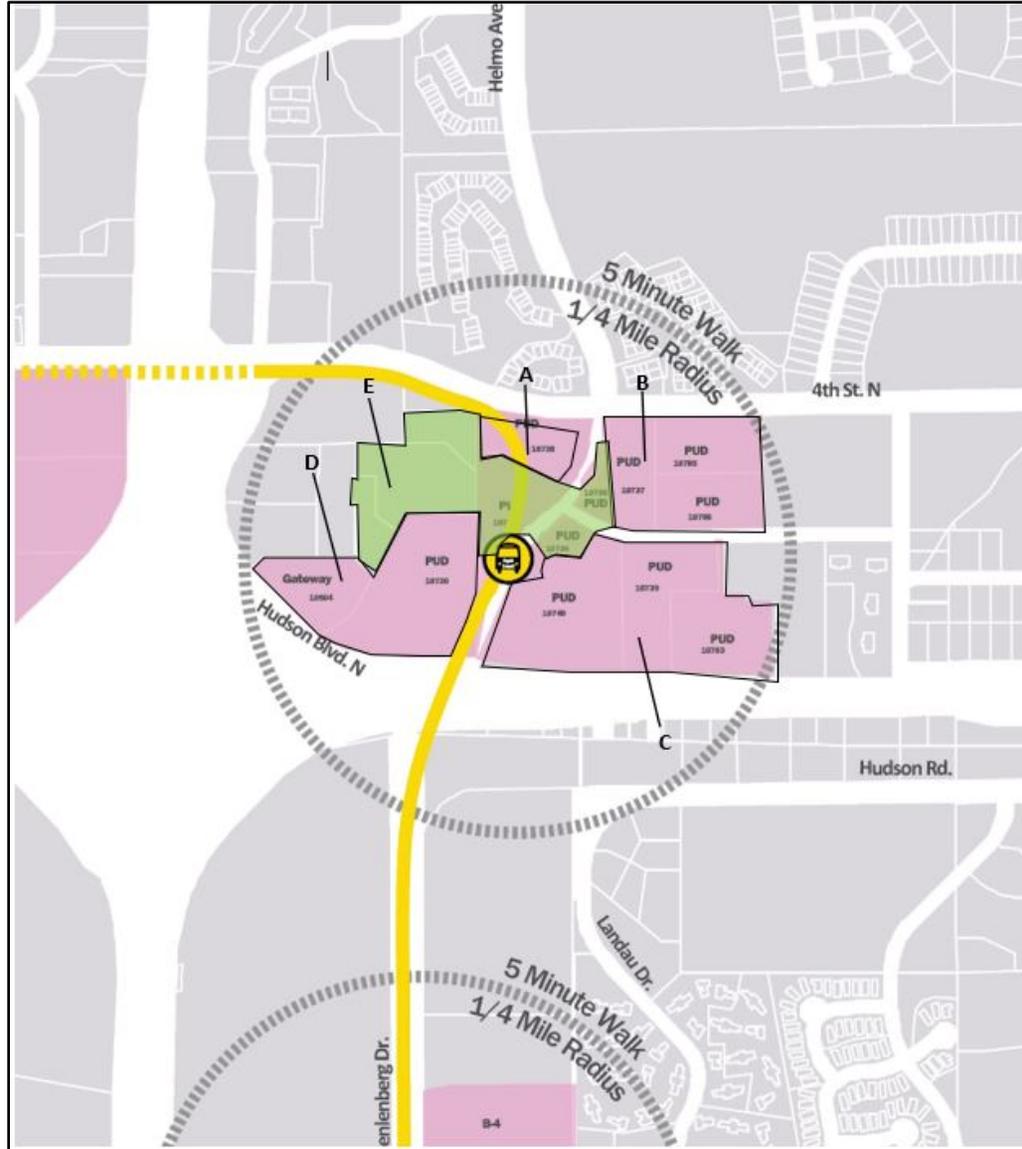
Recommendations

Based on the Helmo Ave. station area configuration, available land, and future development opportunities the site area has strong potential to capture residential development. Short-term and long-term residential development could include general-occupancy apartments (market rate with a portion of affordable units), for-sale townhomes, senior housing, and possibly a middle-market condominium project. Excluding the for-sale townhomes, all remaining residential development would likely be a mid-rise concept(s). The buildings nearest the station platform could incorporate a first-level commercial space for neighborhood goods and services.

Due to the high concentration of retail near the site in both Oakdale and Woodbury and the site’s access; we believe this site is not a major retail destination and would be best serviced by neighborhood retail. Although the office market continues to be soft across the Metro Area, the site would be a strong office location due to its proximity to I-694 and I-94 and the potential to have visibility and ease of access from both interstates. However, a “signature office tower” would be best suited for the 8.2-acre and 3-acre Crossroads of Oakdale property along Hudson Boulevard. Together these properties would provide an 11-acre site for a premier commercial development.

TABLE 7			
GAP ANALYSIS MATRIX			
GATEWAY BRT REDEVELOPMENT AREA			
	Helmo Ave. Station		
	ST	LT	Total
Housing			
MR Rental Hsg. (Units)	200	200	400
Aff. Rental Hsg. (Units)	100	100	200
For-Sale MF (Units)	50	100	150
Senior Housing (Units)	0	150	150
Commercial			
Retail (Sq. Ft.)	0	30,000	30,000
Build-to-Suit Office (Sq. Ft.)	0	300,000	300,000
Hospitality (Keys)	0	120	120
Flex/Comm. Other	0	0	0
Source: Maxfield Research & Consulting, LLC			

Helmo Ave. Station



Tamarack Station

Introduction

The Tamarack station area consists of recently-developed commercial properties, including office, medical office, retail, and hotels, mostly developed within the past 10 years. Older single-family and townhome developments exist to the east of the station.

Immediately southeast of the proposed station is Tamarack Hills, a retail strip center built in 2006. Southwest of the station is the Tamarack Hills office park, with two 19,000 square foot office buildings, Sheraton and La Quinta hotels, restaurants and a proposed 11,450 square foot office building.

A couple larger parcels remain undeveloped in the Tamarack Station area, including sites to the northeast and northwest of the station. An 11,450 square foot medical office building, called the Tamarack Hills II Office Building, is planned for the site next to the new La Quinta Inn and Suites hotel.



Station Analysis

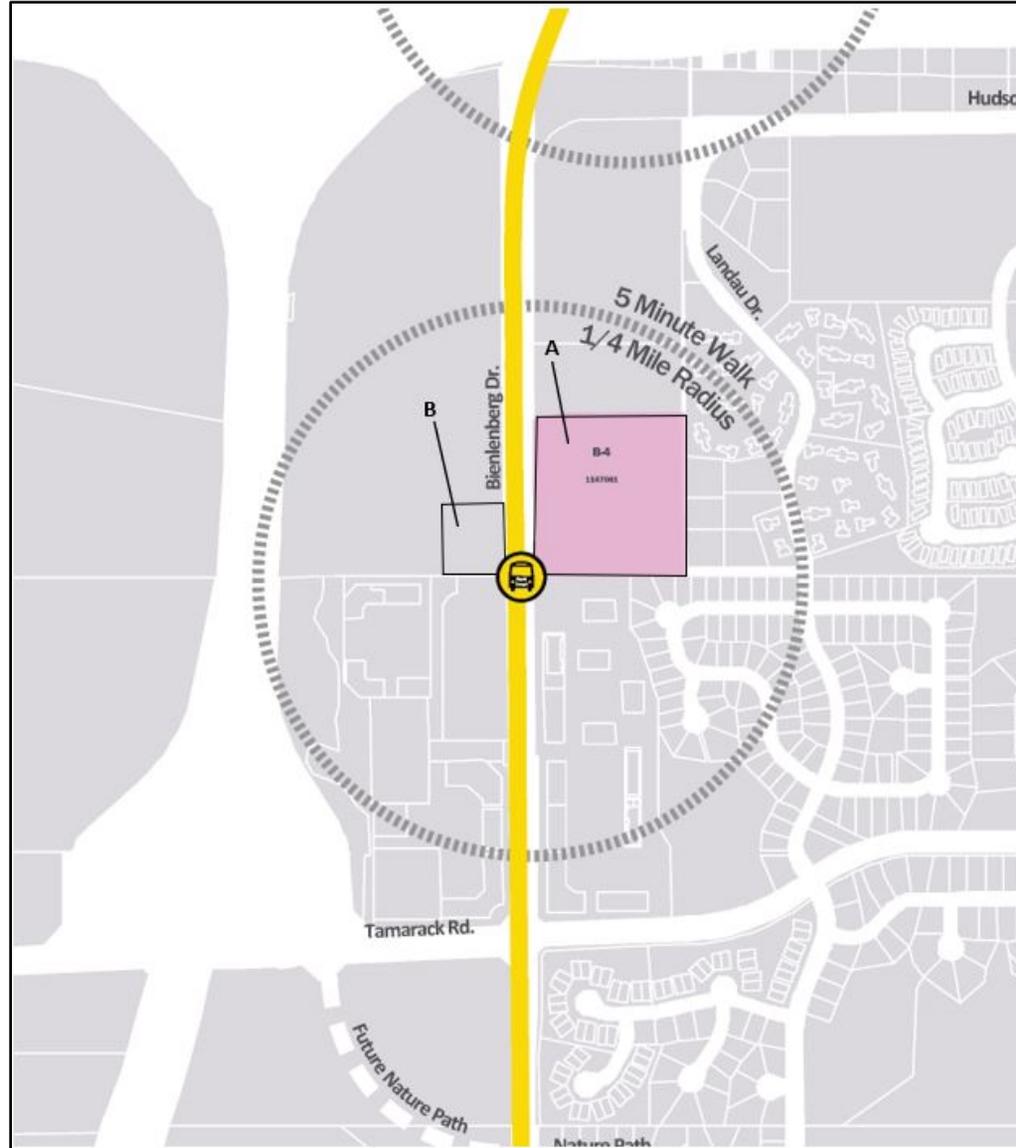
Site Strengths	Site Challenges
<ul style="list-style-type: none"> • Close to many owner-occupied housing, including townhomes and single-family homes • Strong demographics/ higher household incomes • Major employers in the area • Access, visibility, and traffic counts 	<ul style="list-style-type: none"> • Poor pedestrian area • No direct access to Interstate 94 • Walkability to local retail and recreation • Lack of land for development opportunities

Recommendations

Due to the characteristics of the proposed Tamarack Station real estate it does not appear to provide desirable sites for residential construction. One exception could be the inclusion of residential units within a mixed use development. However, this location is not ideal for housing given its location overlooking Interstate 494 and the primarily corporate environment. This site is more likely suited for commercial uses which will support commuters and workers within the Tamarack Station area.

TABLE 8 GAP ANALYSIS MATRIX GATEWAY BRT REDEVELOPMENT AREA			
	Tamarack Station		
	ST	LT	Total
Housing			
MR Rental Hsg. (Units)	0	0	0
Aff. Rental Hsg. (Units)	0	0	0
For-Sale MF (Units)	0	0	0
Senior Housing (Units)	0	0	0
Commercial			
Retail (Sq. Ft.)	10,000	10,000	20,000
Build-to-Suit Office (Sq. Ft.)	0	0	0
Hospitality (Keys)	0	0	0
Flex/Comm. Other	0	350,000	350,000
Source: Maxfield Research & Consulting, LLC			

Tamarack Station



Woodbury Theatre Station

Introduction

The Woodbury Theatre station area lies in the northwest quadrant of Bielenberg Road and Valley Creek Road. It includes a mix of retail, a Theatre, apartments and green space. The immediate area includes the Woodbury Theatre, a large parking lot, Woodbury Village and Crown Villa apartments.

Woodbury Village is a 330,000 square foot retail center anchored by Lunds & Byerlys, Target and Kohls. For the most part, the back side of Woodbury Village faces the proposed station, and the pedestrian environment is generally hostile, with an incomplete sidewalk network. Vast expanses of surface parking overall in the area provide opportunities to create redevelopment based on a walkable street grid.

There are two larger residential developments in the area. The Barrington, built in 1998, contains 282 units and is located west of the station area, and Crown Villa at the Preserve, with 126 units, located immediately north of the station, was built in 2010.



Station Analysis

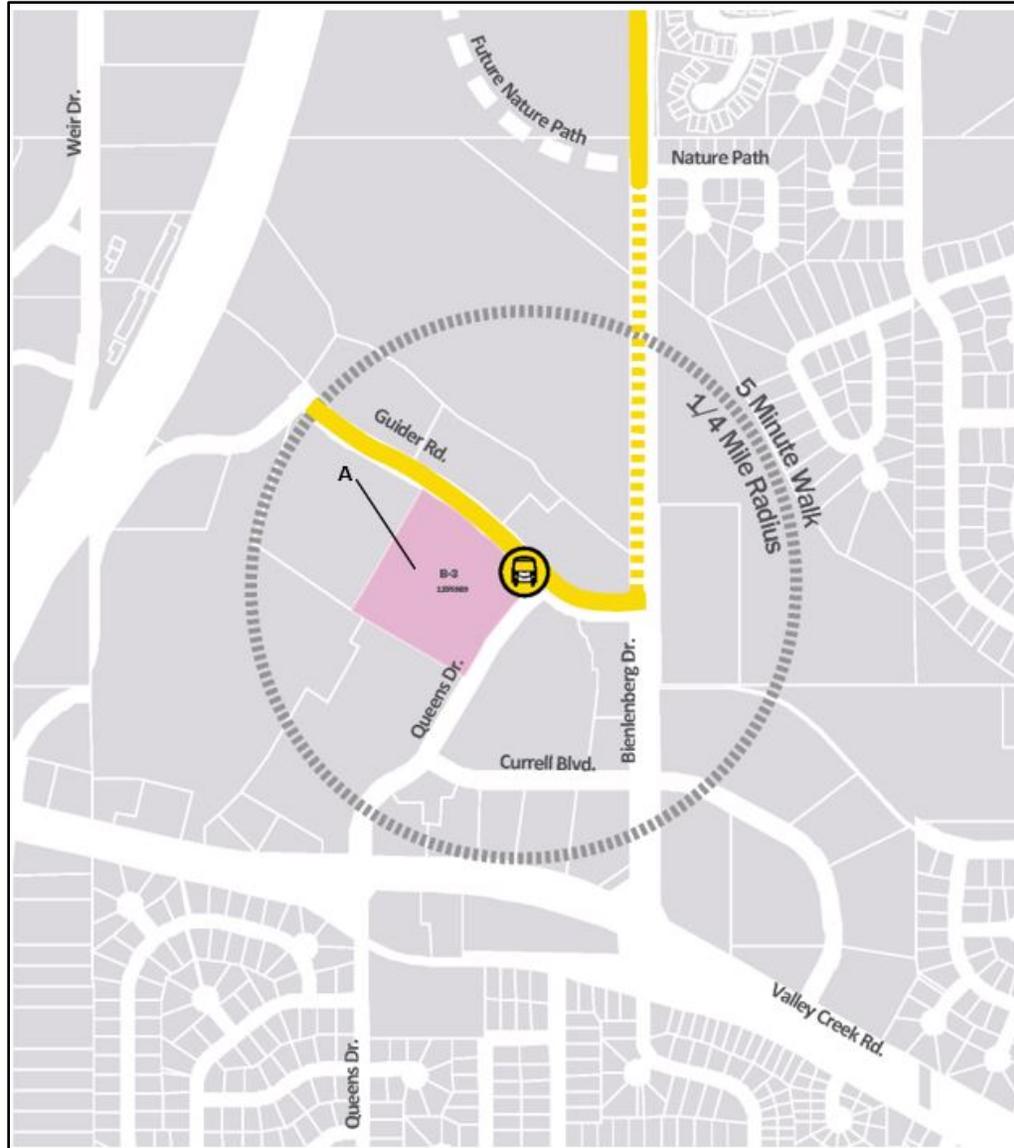
Site Strengths	Site Challenges
<ul style="list-style-type: none"> • The property has convenient access to I-494 • Surrounding area consist of large retailers anchored by Target, Kohl’s, and Woodbury Village Shopping Center • High Traffic Volume along Valley Creek Road • Current neighborhood market dynamics (i.e. demographics) 	<ul style="list-style-type: none"> • Lack of vacant/available sites • Moderate to poor pedestrian area

Recommendations

There is likely demand for additional apartments in the Woodbury Theatre station area, as well as new retail. Long-term demand for market rate units exist, but The Barrington and Crown Villa at the Preserve limit the need for additional units. Potential sites could be on either existing surface parking areas of the Woodbury Village shopping center or the Woodbury Theatre, or if existing portions of the Woodbury Village itself are redeveloped. Retail as well could be added as part of partial Woodbury Village redevelopment or new mixed-use in the station area.

TABLE 9 GAP ANALYSIS MATRIX GATEWAY BRT REDEVELOPMENT AREA			
	Woodbury Theatre Station		
	ST	LT	Total
Housing			
MR Rental Hsg. (Units)	0	150	150
Aff. Rental Hsg. (Units)	0	0	0
For-Sale MF (Units)	0	0	0
Senior Housing (Units)	0	0	0
Commercial			
Retail (Sq. Ft.)	10,000	40,000	50,000
Build-to-Suit Office (Sq. Ft.)	0	0	0
Hospitality (Keys)	0	120	120
Flex/Comm. Other	0	0	0
Source: Maxfield Research & Consulting, LLC			

Woodbury Theatre Station



Matrix summary

Maxfield Research & Consulting has summarized potential real estate use in Tables 10 & 11 that outline the probability of attracting various real estate development based on land use along the corridor. Although a number of sites appear to be suited for many real estate types, various real estate types are not recommended on a number of sites due to market factors and existing/proposed supply.

Table 10 provides recommendations per Station Area for market rate and affordable housing rental, for sale housing, and senior housing. Table 11 provides recommendations for retail, office, hospitality and flex space. Development recommendations are based on site constraints, property ownership, and are shown as the maximum developable. The recommended product may exceed the ½ mile radius for some station areas.

For-Sale Housing

About 52% of households along the corridor own a home. Although there is a need for additional for-sale housing stock in established neighborhoods and suburban locations; it will be one of the more challenging real estate types to develop given the lack of development sites and the high redevelopment costs for for-sale housing that will have difficulty cash-flowing in many of the station areas. There will be continued demand of infill development, but higher-density sites will also compete with the rental and senior housing market and potentially commercial-oriented users. Because of the lack of redevelopment sites in many of the built environments along the western-half of the corridor, station areas on the eastern-half of the corridor have a greater chance to sustain new for-sale product.

Townhome products could be incorporated into site plans in areas slightly further from the station platforms where land costs are lower. Row-house style concepts for townhomes of higher densities would be desirable. Given rising home prices that have peaked and mortgage rate increased, the cost of home ownership is becoming less affordable. In an effort to increase affordability, developers will need to deliver on density and/or smaller units to help keep home prices manageable. Townhomes would be desirable to Millennials seeking their first home in setting that feature places with walkability and amenities similar to an urban area although at more affordable costs than downtown developments.

Although demand for condominium housing is increasing, development is currently slow due to developers being reluctant to build new condominiums because of potential litigation, high regulatory costs, and construction costs that result in only high-end developments that are being constructed. Because of the challenges in the condominium market outside of the core CBD areas, condominium development will be limited along the corridor. The station areas with the best ability to capture for-sale multifamily housing will be the White Bear Avenue Station and the Helmo Avenue Station.

Market Rate Rental Housing

The market rate rental housing industry has been driving the multifamily housing industry since the Great Recession and continues to exceed performance expectations despite the number of unit deliveries. Metro Area vacancy rates have been sub-3% since 2011 as average rents continue to climb and new construction is breaking unit delivery records. The majority of new construction has developed in the two core cities, but suburban development over the past year will surpass the number of units developed in Minneapolis and St. Paul. New development has been seeking out sites in proximity to job concentrations, amenities, transit connections, and walkable neighborhoods. Despite this surge in apartment development in the Twin Cities, the potential to support a significant number of market rate units along the western half of the corridor will be challenging. Sites are scarce, existing rental rates are low, and household incomes do not support the rent structure that is needed to cash flow a new market rate project.

Due to the market dynamics and potential site availability, the following sites have the greatest potential to attract new market rate rental housing: White Bear Avenue Station, Sun Ray Station, Greenway Avenue Station, Helmo Station, and the Woodbury Theatre Station. Based on the potential sites for redevelopment; the Sun Ray Station and Helmo Station have the best ability to capture larger-scale developments. The Helmo Station has several vacant sites near the station area that are well-suited for denser, multifamily housing. Although the Sun Ray Station is primarily commercially oriented; there are several parking outlots and other sites that could be repositioned for multifamily housing and has the potential for a master-planned redevelopment in the future.

Affordable Rental Housing

Affordable rental apartment demand is in strong demand across the Twin Cities. The Gateway Corridor station areas will be well-positioned to capture this demand due to proximity to employment concentrations via the new transit corridor. Access to transit service adds to the potential for securing financing for affordable housing through the tax credit program. The five affordable housing developments located within the Gateway Corridor do not currently have vacancy and the majority have waiting lists. There is undoubtedly demand for affordable housing and there are no current planned or pending projects within a half mile of all station areas.

The key challenge facing new affordable housing development within the Gateway Corridor will be the lack of sites for new construction and the competitive nature of the tax credit process. Although each station area would have demand for new affordable housing products, not all the station areas will be able to accommodate affordable housing due to site acquisition. Demand for affordable housing is for all station areas, however median incomes are lower along the corridor as the stations move west. At the same time, there are fewer sites for redevelopment in the more urban station areas to the west along the corridor. Affordable housing projects would best work on the following stations due to parcel availability: Mound

Boulevard Station, Etna Street Station, White Bear Avenue Station, Sun Ray Station, Greenway Avenue Station, and the Helmo Avenue Station. Like market rate housing, the station areas that could have larger multifamily projects due to land availability would be the Sun Ray Station, Greenway Avenue Station, and the Helmo Avenue Station.

Senior Housing

Although senior housing demand will continue to increase as the Baby Boomers age, senior housing will compete against the general-occupancy rental market for site selection. In most cases, senior housing developments are not able to pay the land acquisition cost per unit that a similar apartment project would pay for a site. As such, senior housing may be more difficult to develop along the corridor as other real estate product types would pay more for the land. In the short-term, independent living facilities have the highest demand as the assisted living market is very competitive and is overbuilt in many submarkets across the Twin Cities Metro Area. However, long-term service-based senior housing will be in demand as the demographics support more intensive service-based housing options next decade. Based on the station areas and existing parcels, the Sun Ray Station and the Helmo Station have the best probability of capturing a senior housing project.

Office

New office development anywhere in the Twin Cities is mostly limited to build-to-suit users, and speculative office is rare. Generally, the office market is the weakest real estate product type among all uses in the Twin Cities. As a result, the potential for office development near station areas is likely limited to companies that choose the location for visibility and proximity to workforce. The most likely scenario for the station areas is attracting a single-tenant user with the potential to attract a user who would build a corporate or regional headquarters at the Helmo Avenue or Greenway Avenue Stations.

Retail

The potential performance of new retail in the neighborhoods along the proposed Gold Line depends on their ability to compete for and capture business from residents of the neighborhood and to attract inflow from residents of other areas. The majority of retail space on the west side of the Corridor consists of older commercial buildings built before 1970 and are less than 30,000 sf which is not desirable to attract national retail chains. The three westernmost station areas do not have sufficient unmet retail demand and available land at this time to support new retail development. However, these station areas could support a modest amount of retail that could be incorporated into mixed-use developments or stand-alone commercial buildings. Most of these users would be locally based, neighborhood retail uses.

The station areas from White Bear Avenue to the Woodbury Theatre Station all have the potential to attract regional and national chain-based retailers to the station areas. The Sun

Ray Station has the greatest potential to reposition the shopping center and to bring in new formats and tenants to rejuvenate the property.

Hospitality

The Twin Cities Metro Area experienced substantial growth in occupancy and average daily rates (ADR) for the past seven years however, growth in the hospitality industry is finally slowing down due to investors having overbuilding concerns and the rising cost of construction. In addition, financing may be more difficult to obtain for some projects due to lenders having the same concerns.

The most attractive sites along the Gold Line Corridor are near the stations on the eastside of the corridor; in particular the Sun Ray Station, Helmo Avenue Station, and the Woodbury Theatre Station. Potential for visibility from Interstate 94, 494 and possibly 694 would be desirable for hospitality development. Proximity to office users and other employers near the station areas are also attractive. Potential for new brands not offered in the Oakdale and Woodbury area and developments that offer select-service and extended-stay hotels, which are efficient and profitable would be welcome additions to the market area. Hospitality near the westernmost sites would be challenging given the site size constraints and the gap between development cost and the potential average daily rates.

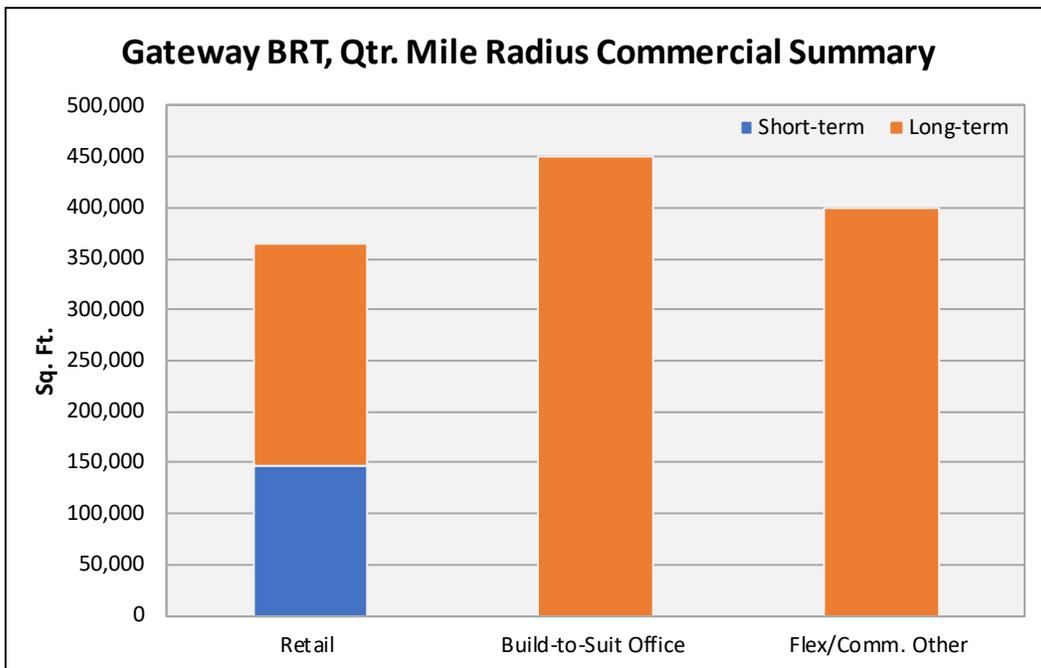
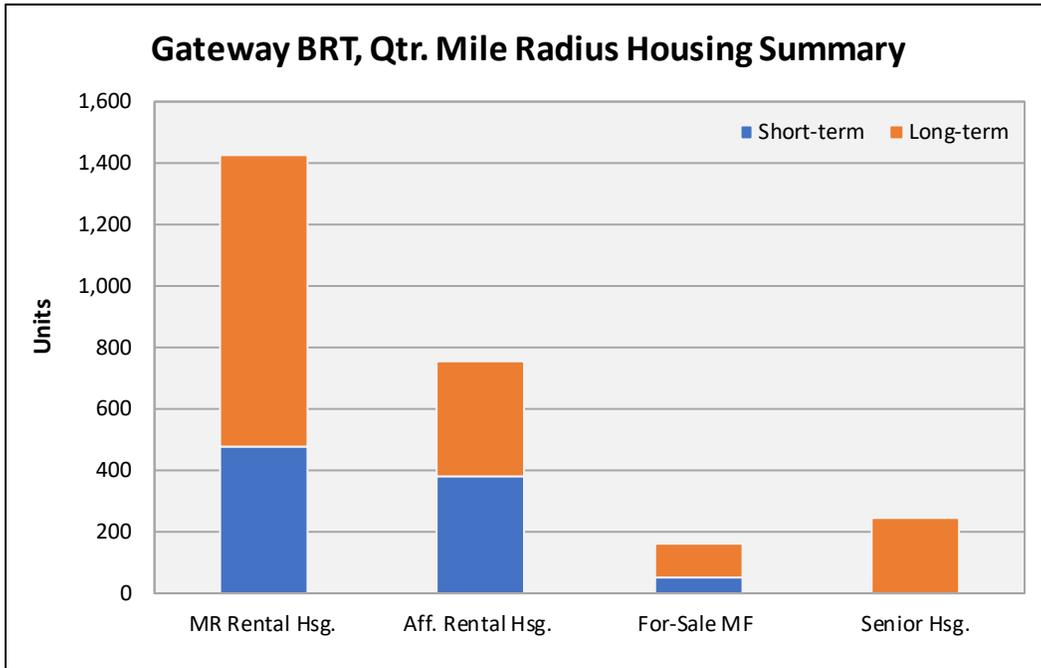


TABLE 10
GAP ANALYSIS MATRIX
Gateway BRT Redevelopment Areas

Transit Stations	Acres	Housing											
		MR Rental Hsg. (Units)			Aff. Rental Hsg. (Units)			For-Sale MF (Units)			Senior Housing (Units)		
		ST	LT	Total	ST	LT	Total	ST	LT	Total	ST	LT	Total
Mounds Blvd. Station	1.3				40		40						
Earl St. Station	0.3												
Etna St Station	14.7					100	100						
White Bear Ave. Station	46.4		80	80	80		80		14	14			
Sun Ray Station	34.4	200	400	600	80	100	180					100	100
Greenway Ave. Station	74.3	80	120	200	80	80	160						
Helmo Ave. Station	42.3	200	200	400	100	100	200	50	100	150		150	150
Tamarack Station	11.9												
Woodbury Theatre Station	9.4		150	150									
Subtotal (Units)	235	480	950	1,430	380	380	760	50	114	164	0	250	250

ST = 2018 to 2022

LT= 2023+

Note: Development recommendations based on site constraints, property ownership, and are shown as the maximum developable. The recommended product may exceed the 0.25-mile radius for some station areas

Acreage represents potential parcels for future redevelopment

Source: Maxfield Research & Consulting, LLC

TABLE 11
GAP ANALYSIS MATRIX
Gateway BRT Redevelopment Areas

Transit Stations	Acres	Commercial												
		Retail (Sq. Ft.)			Build-to-Suit Office (Sq. Ft.)			Hospitality (Keys)			Flex/Comm. Other			
		ST	LT	Total	ST	LT	Total	ST	LT	Total	ST	LT	Total	
Mounds Blvd. Station	1.3	2,000	2,000	4,000										
Earl St. Station	0.3		2,500	2,500										
Etna St Station	14.7		8,000	8,000								30,000	30,000	
White Bear Ave. Station	46.4	20,000	25,000	45,000		40,000	40,000					20,000	20,000	
Sun Ray Station	34.4	80,000	80,000	160,000		30,000	30,000		100	100				
Greenway Ave. Station	74.3	25,000	20,000	45,000		80,000	80,000							
Helmo Ave. Station	42.3		30,000	30,000		300,000	300,000		120	120				
Tamarack Station	11.9	10,000	10,000	20,000								350,000	350,000	
Woodbury Theatre Station	9.4	10,000	40,000	50,000					120	120				
	235													
Subtotal (Sq. Ft.)		147,000	217,500	364,500	0	450,000	450,000	0	340	340	0	400,000	400,000	

ST = 2018 to 2022

LT= 2023+

Note: Development recommendations based on site constraints, property ownership, and are shown as the maximum developable. The recommended product may exceed the 0.25-mile radius for some station areas

Acreage represents potential parcels for future redevelopment

Source: Maxfield Research & Consulting, LLC

Development Challenges

Built-up environment & lack of vacant sites

The biggest challenge for many of the station areas across the corridor is the limited land supply and relatively few publicly-owned properties. This is a significant barrier to future development and redevelopment particularly along the western side of the Gateway Corridor in the more urban neighborhoods. We note that in the case of several of the planned station areas, there is a general scarcity of developable land. Further, many of the potential development parcels as identified earlier in the report are privately held and are presently improved with income-producing residential or commercial structures. In many cases, in order for residential development to occur, a change in use or increase in density will be required. This requires a willing seller and in most cases the cost of redevelopment is significant.

Development opportunities increase as the corridor moves west to east

Related to the existing built-up environment, the station areas located further east have an easier path to redevelop given land availability in a suburban environment. In addition, the higher household incomes among the four eastern-most station areas will enhance the marketability of the station areas for certain uses (i.e. national retailers, etc.). These easternmost station areas will also be attractive for higher-density housing developments such as market rate apartment housing, for-sale housing, or market rate senior housing.

The eastern most stations in Woodbury which include Tamarack and the Woodbury Theatre station will function primarily in support of commuters who will access the station from various neighborhoods throughout Woodbury as well as commuters entering the City due to Woodbury being a significant employment center with a number of large business within walking distance from the stations.

Household Incomes vary across the corridor

Demographic data assembled by Maxfield Research show station areas located west of White Bear Avenue Station have projected 2023 household incomes under \$50,000 a year while Station areas to the east including White Bear Avenue all have projected incomes over \$50,000. Station areas with lower median incomes will face difficulty attracting market rate housing development and will be best suited for affordable housing development. Challenges facing these station areas include:

- Gap between development cost and obtainable rents;
- Difficulty financing housing projects;
- Land availability (lack of sites, relocating current tenants/buildings elsewhere, etc.).
- Funding sources: Multiple sources of funds needed to support new housing development

Lack of job creators adjacent to stations (excluding 3M Station)

Highway visibility and accessibility to I-94 along the Gold Line Corridor results in the ability to capture single tenant office users who would seek a corporate or regional headquarters. However, areas around many of the stations lack available land and nearby amenities to make them competitive with other larger, employment districts. The Helmo station in particular has the potential to attract a major corporate presence given the access, visibility, and traffic counts to both Interstate 94 and Interstate 494/694. However, we caution that attracting a corporate headquarters is very challenging and competitive given the site selection incentives communities offer to attract these end users.

Rising Construction, land/acquisition, and development costs

As land and construction costs continue to rise, residential development in generally becomes more difficult to pencil-out. Financial feasibility, without public assistance becomes more and more likely to occur for higher-end developments where the gap between development costs and the return of investment are more feasible. In particular, the construction and development industry is facing many headwinds from rising interest rates, increasing materials costs, skilled labor shortages, rising land costs, and regulatory burdens that may hinder development. As a result, many projects are difficult to cash-flow or developers must pass increased costs on the end-consumer; who then face affordability challenges. As a result, a public-private partnership and/or other incentives will be needed to attract development at several station areas.

Funding mechanisms for BRT development

Several issues associated with government funding include competition with other transit-related projects and eligibility of BRT projects along the corridor. Projects are taking a long time from the intention inception mostly because of the queue for additional transit related projects in the Twin Cities Metro Area. Predevelopment and acquisition funding is available but the length of time to put the financing in place makes holding costs high and potentially put these developers at risk. Developers are actively seeking out sites along transit lines; however, they are prioritizing based on the likelihood the project be built and the projected timing for transit implementation. As such, the proposed Gateway Corridor will compete with other transit projects to some degree.

The following summarizes major transit-related projects in the Twin Cities Metro Area:

Projects pending or under construction:

C Line – Penn Avenue bus rapid transit – A bus rapid transit line that will connect downtown Minneapolis and north Minneapolis with Brooklyn Center Transit Center.

METRO Blue Line extension - Bottineau light rail – A light rail transit line that will extend the existing Blue Line to the northwest metro through north Minneapolis, Golden Valley, Robbinsdale, Crystal, and Brooklyn Park.

METRO Green Line extension - Southwest Corridor light rail – A light rail transit line that will extend the existing Green Line to the southwest metro through Minneapolis, St. Louis Park, Hopkins, Minnetonka, and Eden Prairie.

METRO Orange Line - 35W bus rapid transit – A bus rapid transit line that will connect downtown Minneapolis with stations along I-35W in the south metro through Minneapolis, Richfield, Bloomington, and Burnsville.

Potential future transit projects:

Midtown Corridor – Potential transit investment along the Midtown Greenway and Lake Street in Minneapolis.

Nicollet-Central Corridor – Potential modern streetcar investment along Nicollet Avenue and Nicollet Mall in south and downtown Minneapolis, and into northeast Minneapolis.

Red Rock Corridor – Potential bus rapid transit corridor along Highway 61 in the southeast metro.

Riverview Corridor – Potential transit investment connecting downtown St. Paul to the south loop district in Bloomington.

Robert Street – Potential transit investment along Robert Street south of downtown St. Paul.

Rush Line Corridor – Potential bus rapid transit investment north of downtown St. Paul into Maplewood, Vadnais Heights, Gem Lake, and White Bear Lake.

West Broadway Transit Study – Potential transit investment along West Broadway in north Minneapolis and into Robbinsdale.

Peak of the real estate cycle for rental multifamily housing

The Twin Cities Metropolitan Area will deliver approximately 6,000 new general-occupancy apartment units by year end; establishing a new record for apartment deliveries. Maxfield Research is also monitoring about 20,000 units across the Twin Cities Metro Area that are in the planning phases. Although not all of these units will proceed, there is no shortage of new projects being planned daily and the appetite is strong from non-local investors. However, this level of new construction is not sustainable long-term, and the market will eventually soften resulting in higher vacancy rates and concessions from landlords. Because the peak of apartment cycle is this year (2018); it is inevitable that the boom will slow down and some projects will stall as developers take a more cautious approach given the record supply.

Location of Park & Ride

Most commuters are seeking the most convenient, safest and fastest route to get them to their destination with limited stops along the way. Commuters on their way to or from work are more than likely not going to make additional stops along the way. Therefore, a challenge facing future transit-oriented development is the location and design of the stations and walkability to amenities for riders. Parking lots for Park & Rides are somewhat large which may limit the land available near the station for transit oriented development.