



Commercial, Industrial and Public Construction in the Twin Cities Region: 2008 Summary **September 2009**

This report summarizes new commercial, industrial and public construction projects for which Twin Cities area cities and townships issued building permits. The Metropolitan Council appreciates municipalities' cooperation in providing the data. Council staff used other data sources to verify and supplement the information where appropriate.

Data users should note:

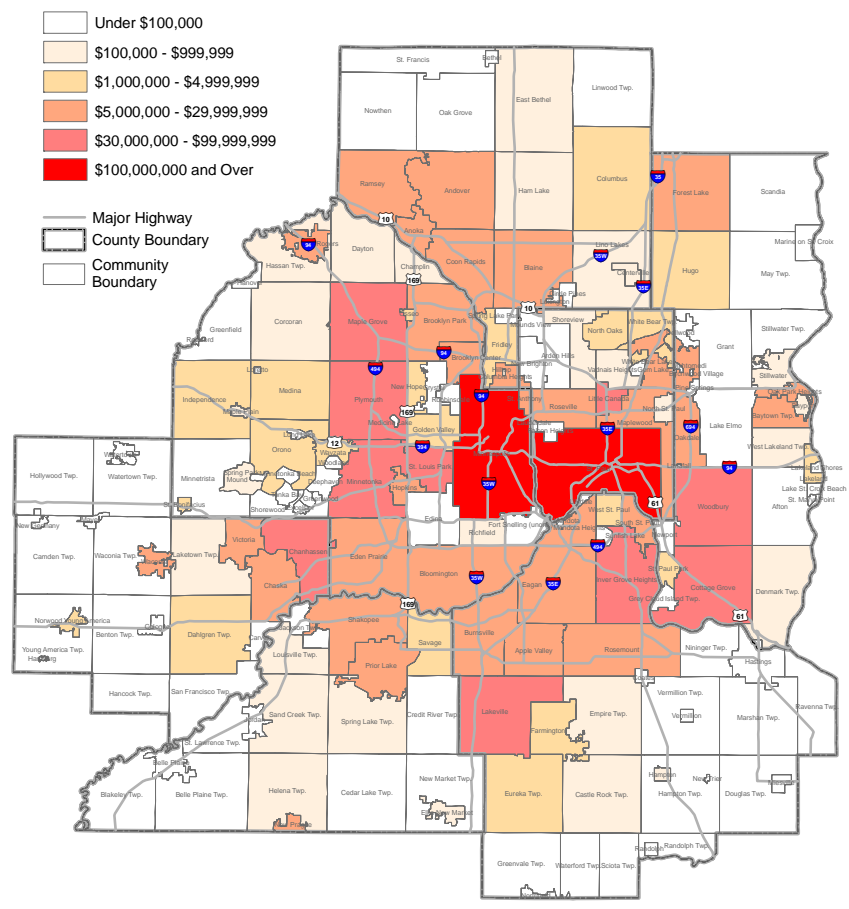
- The primary focus of this report is commercial and industrial development. Public buildings are also included where possible, but not infrastructure.
- Data were not collected for permits under \$100,000 in estimated value.
- The time from permit issuance to start of construction varies among projects.
- Most communities in the region provided information. However, some projects within the region are not covered by this survey. See "About the Data" on page 19.

Highlights

Tough economic conditions persisted through 2008, and demand for commercial and industrial construction remained sluggish. In the Twin Cities region, public projects helped prop up the annual construction total or the year-over-year decrease would have been steeper. Significant activity in hospital expansions in particular helped to counter the downturn in commercial and industrial building.

Commercial, industrial and public construction fell off 25 percent in 2008 as measured by the valuation of building permits reported by communities in the Metropolitan Council annual construction survey. The decline followed a 14 percent drop in 2007.

Figure 1
Value of Commercial, Industrial and Public Construction



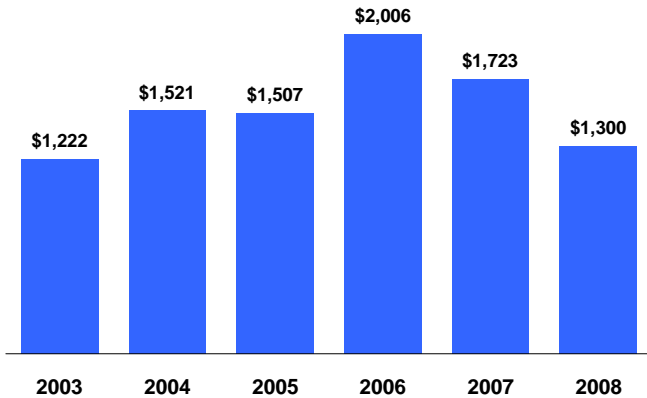
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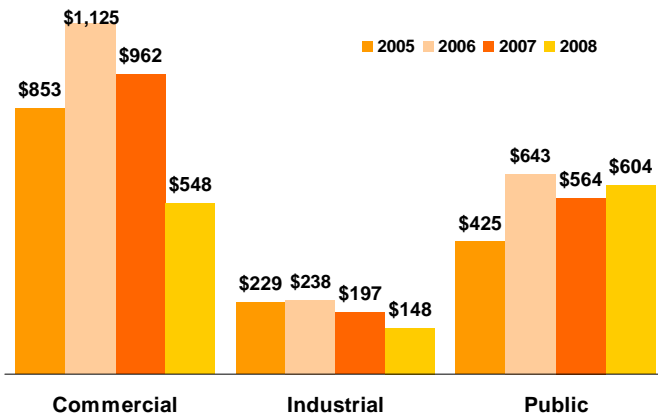
Commercial, industrial, and public construction projects totaled \$1.3 billion in 2008, lower than annual figures for 2004 through 2007. That is a slightly higher dollar amount than reported for 2003, the first year for which there are comparable data.

Figure 2
2003 - 2008 Total Commercial, Industrial and Public Permit Valuation (in billions), Twin Cities Region



Commercial uses totaled \$548 million; industrial uses, \$148 million; and public uses, \$604 million. Permits reported for new construction made up 69 percent of the regional total valuation and additions accounted for 31 percent. Projects for which size information was available represented a total of 10.3 million square feet. Square footage information was not available for 14 percent of the projects reported.

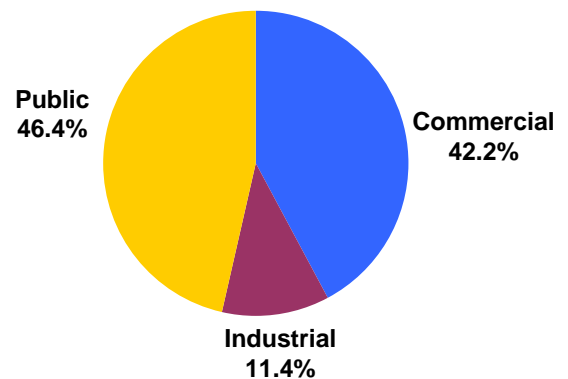
Figure 3
Commercial, Industrial and Public Permit Valuation (in millions) 2005 - 2008, Twin Cities Region



Public projects' valuation picked up 7 percent in 2008, compared to 2007. This softened some of the blow to construction's bottom line as commercial permits slumped 43 percent, and the industrial sector fell 25 percent.

Because of these shifts away from previous years' norms, the commercial share of the region's nonresidential construction total was significantly lower in 2008—42 percent, compared to 56 percent in 2007. The public share rose to 46 percent, up from 33 percent in 2007. Industrial construction's share remained the same, at 11 percent.

Figure 4
2008 Commercial, Industrial and Public Building Permit Value Percent Shares by General Type Twin Cities Region



In 2007, developed suburbs' share of the regional total climbed to 40 percent, while the developing suburbs' share dropped to 35 percent. In 2008, the developed suburbs' share fell back to 28 percent, below the average for recent years. Investment in the developing areas rose to a more typical level—41 percent. In the central cities of Minneapolis and St. Paul, aggregate permit valuation edged up slightly, and its share of the regional total was on a par with the developed suburbs (29 percent). Commercial, industrial and public activity in rural areas continued to represent a small piece of the regional volume, at less than 3 percent in 2008.

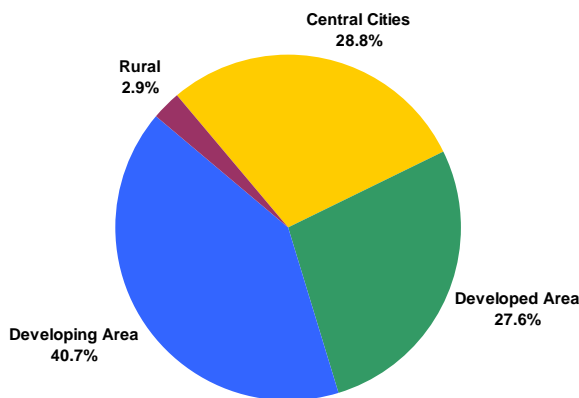
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Table 1
2008 Commercial, Industrial and Public Building Permits
by Planning Area

| Planning Area* | Permit Value |
|-------------------|---------------|
| Developed Area | \$733,109,357 |
| Central Cities | 374,241,868 |
| Developed Suburbs | 358,867,489 |
| Developing Area | 529,289,292 |
| Rural Area | 37,077,217 |
| Rural Centers | 3,546,023 |
| Other rural | 33,531,194 |
| Region | 1,299,475,866 |

*As defined in the Metropolitan Council Regional Development Framework, generalized to whole municipalities.

Figure 5
2008 Commercial, Industrial and Public Construction Valuation
Share of Twin Cities Region by Planning Area

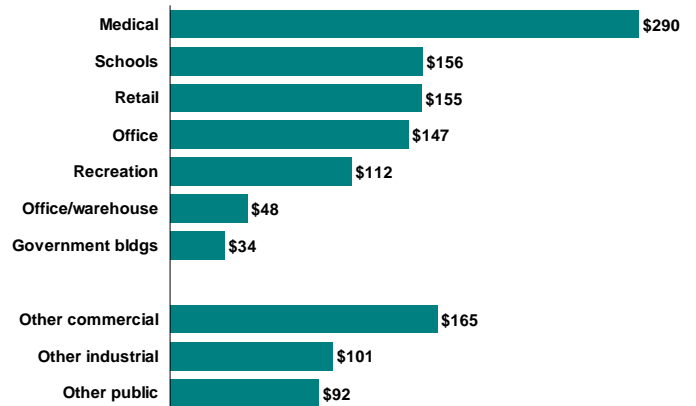


Commercial and industrial construction

The region's nonpublic commercial and industrial permits carried a combined valuation of approximately \$696 million in 2008. Of this, 44 percent was in retail and office development—\$155 million and \$147 million, respectively. Compared to 2007, the retail total was down by 9 percent, while office construction was down 56 percent. Commercial recreation retreated 75 percent, but it was unusually high in 2007 due to the start of the new Twins ballpark.

Typically the largest industrial sector, as recorded by Metropolitan Council's annual survey, is office/warehouse. Its dollar value for 2008, at about \$48 million, was off 52 percent. On the other hand, building projects for the manufacturing sector gained 13 percent to total around \$60 million.

Figure 6
2008 Commercial, Industrial and Public Construction Valuation by Use
(in millions), Twin Cities Region



Square footage information is not included in this report for some projects but is available for the majority of them. In some cases, square footage has been excluded in order to avoid double-counting of new space over time. Construction projects often involve multiple building permits at different stages of the construction process. Some projects continuing during 2008 were underway earlier, and their square footage was picked up in previous Metropolitan Council reporting. For 2008, projects captured by this survey represented nearly 5 million square feet of commercial space—about 2 million of it in retail, and a weak 850,000 in office space.

Commercial highlights

Region-wide, the \$155 million in 2008 retail permit valuation was at the lowest level seen over the time period for which data are available (since 2002). Retail activity in the region's developed suburbs was actually up from its 2007 level, as reported for this survey, and it made up half of the region's 2008 total. Developing suburbs accounted for 36 percent. In contrast, over the previous six years, developed suburbs had 37 percent of the retail activity captured by this survey, while 57 percent went to developing areas.

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The leading communities in retail dollars, all developed communities, were: Minnetonka (large new auto dealership); St. Louis Park (major new development - Shops at the West End); St. Paul (topped by four new grocery stores); Minneapolis (mostly from an addition to the Quarry Center and re-born Riverside Market). Maplewood, Inver Grove Heights, and Roseville also topped the \$10 million mark due to big-box projects. The amount of new general office space permitted in 2008 was less than half the amount reported in 2007 and 2006. Only a small number of larger-scale new buildings went forward. In Minneapolis, Coloplast started a new 178,000 square foot headquarters building. Also, Fairview Hospital proceeded on a \$17 million data center expansion. St. Jude Medical, in Little Canada, added a 180,000 square foot building to its corporate campus. The Excelsior Crossings project in Hopkins continued with \$22 million in permits during 2008.



Medical technology firm Coloplast's new North American headquarters on a former brownfield site in Minneapolis. The 178,000 square foot building, containing office, R & D and production space, features river views and abundant natural lighting, and was designed to achieve Silver LEED certification. Assisted by city Tax Increment Financing and funding from the State of Minnesota and from Metropolitan Council. Photo by Metropolitan Council.

Figure 7
Retail Permit Valuation, 2003-2007 and 2008 (in millions)
Percent of Twin Cities Regional Total

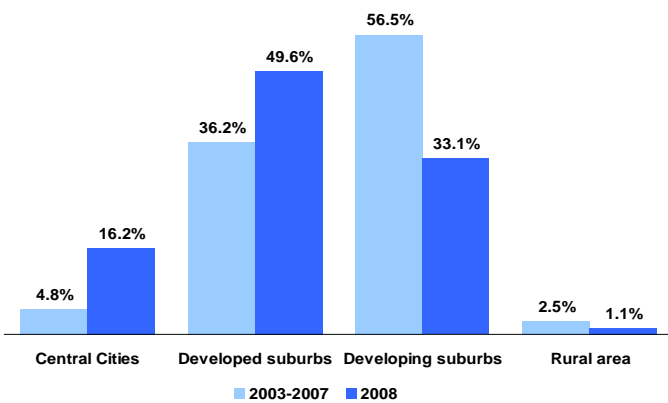
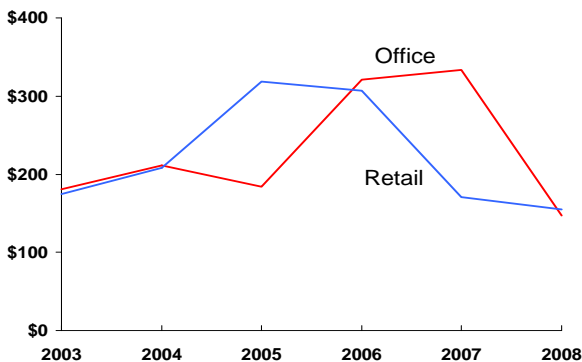


Figure 8
Permit Valuation, Office and Retail (in millions)



Overall, 54 percent of permits in the office category were reported within fully developed suburbs, fairly close to the average for recent years. In the still-developing suburbs, which averaged 37 percent of the region's office total over the 2003-2007 period, office permits plunged to a 12 percent share in 2008.

All of the other commercial categories were down as well—for example, hotels by 53 percent, commercial services by 41 percent, and restaurants by 14 percent. Even medical office buildings, which had been a comparatively strong sector this decade, slowed 29 percent year-over-year. The largest medical clinic recorded among 2008's permits was the new Melrose Institute in St. Louis Park with a permit valuation of \$14 million.

Demand for mixed-use projects has obviously grown in recent years. However, the actual trend in development dollars is difficult to quantify precisely due to its nature and how the data are typically reported in this data set.

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That is, these are typically buildings where the commercial component is relatively small compared to the residential space; and the project information that is available often covers the entire building and does not delineate the commercial space separately from residential uses. Also, this data collection methodology cannot capture all of the ways in which communities are integrating residential and commercial uses in their new development since it is limited to classification of individual buildings, not classification of multiple buildings in proximity to each other.



Melrose Institute, the largest eating disorders treatment facility in the Midwest, to handle up to 1300 patients (67,000 sq. ft.) A partnership between City of St. Louis Park, United Properties and Park Nicollet: site redevelopment into separate parcels for the clinic and a 3-level parking ramp which will be open for municipal use in the evenings. Healing Garden lies between the two structures and a future civic use is intended for the southern portion of the site. Architect: Ellerbe Becket. Photo © 2009 Don Wong Photography.



Embassy Suites, the first new hotel in Brooklyn Center in ten years, adding 175 rooms. Features 36,000 sq. ft. meeting space, fitness center, 100-seat restaurant. Embassy Suites' new environmentally friendly design concept achieved 14 percent lower construction costs on a smaller land site. Photo from City of Brooklyn Center, near completion April 2009.



Downtown re-investment and re-use comes in all sizes. Interstate Partners' new headquarters, redevelopment of an historic building in St. Paul. Photo by Metropolitan Council.

In 2008, four buildings were identifiable as mixed-use residential and commercial: in Minneapolis, the Hotel Uptown with 60 apartments plus retail; the Stages with 32 apartments plus restaurant; and another smaller commercial and residential building; and in Wayzata a smaller office and residential building.

Industrial highlights

Industrial uses have represented between 10 and 15 percent of regional non-residential construction permit value annually during 2003 through 2007. In 2008, their permit value was 11 percent of the total, at \$148.2 million. Buildings classified as office-warehouse have been the largest category, making up at least half of the industrial total, with smaller amounts of manufacturing and warehouse space and other industrial projects. "Other" industrial uses include utilities, construction, agricultural, and some transportation-related facilities.

In 2008, office/warehouse permit value was slashed to less than half of its 2007 level. Manufacturing construction dollars were up modestly (13 percent), which would not have been the case without one large project: a new R & D facility for McQuay Inc. in Plymouth, with a \$33 million building permit. Lakeville followed Plymouth with the next-highest industrial construction total (\$16 million), and other communities with more than \$5 million in permits included Blaine, Shakopee, Minneapolis, and South St. Paul.

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The largest individual industrial permits in addition to the McQuay project were for US Food Service in Plymouth and Uponor and First Industrial in Lakeville. The US Food Service addition of 107,000 square feet, with permit value of \$11 million, was by far the largest office/warehouse project permitted in 2008. The regional office/warehouse total was less than \$48 million.



New 40,000 sq. ft. R & D facility in Plymouth, for McQuay Inc: advanced HVAC technologies testing. Submitted for silver LEED certification, achieving 75 percent energy recovery diverted back into the system as well as water-efficient landscaping, recycled construction waste, low-emitting sealants and locally purchased materials. Photo by permission of McQuay International.

The region's developing suburbs and rural area have had larger shares of their construction in the industrial category than have the central cities and developed suburbs. Developing areas still have vacant land and are more likely to have larger parcels available to meet the needs of industrial users. Older, developed areas tend to have higher land costs and have been tending toward redevelopment of industrial property into other, higher-value uses. Overall, during the 2003-2007 reporting period of this survey, 55 percent of the office-warehouse space added region-wide went into developing suburbs and 26 percent to developed suburbs (as measured by valuation). For manufacturing permits, developing communities captured 53 percent, and 34 percent went into developed suburbs.

In 2008, an even higher percentage of manufacturing activity was located in the developing area—88 percent of the region's total. The lion's share of office/warehouse space was added in developing suburbs (71 percent), with 15 percent occurring in developed suburbs and 12 percent in Minneapolis and St. Paul. Of those buildings identified as "warehouse" in 2008, 58 percent went to developing areas and 33 percent to developed suburbs—in line with the last few years' average.

Industrial uses typology

We attempt to differentiate business functions that are predominantly aimed at the production of goods from those that are for the storage and/or distribution of goods by using separate categories for "manufacturing" and "warehouse". However, complete accuracy in measuring shifts among industrial uses may not be possible given the available data and blurring of the distinctions between structural types in the real world. Some industrial projects are for owner-occupants whose function is known or the building's location and design is specifically geared toward one or the other (production or distribution). But in other cases the building could be used by a variety of industrial businesses.

Public use projects

Despite the dismal environment for commercial and industrial building, public projects chalked up a higher than average amount of construction dollars in 2008. The aggregate permit valuation for public buildings was \$604 million with \$251 million going for hospital projects—nearly four times the recent years' average.



Children's Hospital expansion underway in downtown St. Paul. Photo by Metropolitan Council.

Most activity was in the central cities with large expansions underway at Regions Hospital, Children's Hospital in both Minneapolis and St. Paul, and the Fairview/U of M renovation and new Children's Hospital facility. In the developing suburbs there was just one

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large project, the new Maple Grove Hospital, and some smaller-scale nursing facilities. Medical office buildings, clinics and the like are categorized separately as a commercial use.

The regional total of construction dollars for educational institutions was down slightly, at \$156 million. A majority of the total was for K-12 institutions, and a majority (75 percent) occurred in the developing area as population growth necessitated service increases. Additions to existing buildings greatly outnumbered new facilities, but the largest project in 2008 was a new high school in Chanhassen, with a permit value of \$60 million (groundbreaking was in 2007 and an initial building permit was recorded in the 2007 summary report).



Site of future Chanhassen High School in 2007.



New Chanhassen high school, opening September 2009, will ultimately serve 2000 students. Photo and conceptual drawing from school district website, by permission of Eastern Carver County Schools.

Other major new school buildings underway included a new high school and a new junior high in Woodbury and St. Croix Preparatory Academy in Baytown Township. The largest additions/alterations to existing facilities, in terms of permit valuation, were at Park Senior High School (Cottage Grove), a new fine arts building at Inver Hills Community College and an addition/remodel at Normandale Community College.



Michael Frome Academy, Woodbury. New K-5 public charter school, emphasizing environmental sustainability and stewardship. The school's facilities were designed to "serve as a model for green school buildings": <http://mnmfa.org> Photo by permission of the Academy.

It should be noted that the primary purpose of this survey is to capture information on new buildings and on projects that add square footage to existing buildings. In some instances, communities report projects where a majority of the building cost is for renovation, rather than expansion. School projects frequently fall into this category, but they represent a substantial investment and they are included. We do indicate that a project entails renovation, if that is known, and if possible we include the square footage for only the additional space that was added.



McColl Pond Environmental Learning Center in city park, Savage. Recycled building materials and sustainable design features such as a green roof, rain gardens to filter stormwater, and geothermal and solar devices for heating and cooling. Photo by permission, City of Savage.

Public recreation projects represented \$71 million in permit value in 2008, with half of this occurring in developing suburbs, and most of the remainder equally split between the central cities and developed suburbs. Activity levels in this building category seem to fluctuate

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considerably from year to year—2008’s aggregate dollars were double the amount permitted in 2007. Projects included several ice arenas, community center additions at Maple Grove and Apple Valley, YMCA expansions and various park projects.



Boutwells Landing in Oak Park Heights: a range of levels of care to be available in proximity to independent living units. Also, on-site child day care center. Photo permission of Boutwells Landing, a nonprofit partnership of Lakeview Hospital, Croixdale and Presbyterian Homes & Services.

Government office projects were few in number in 2008 and represented a relatively small portion of building investment (\$34 million). The largest projects were a new Anoka County Safety Campus (sheriff’s station and offices) in Andover for \$13 million and new libraries in Plymouth and Maple Grove.

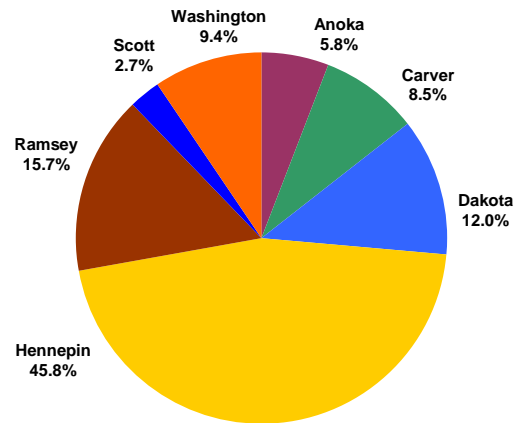


Columbia Heights Gymnasium project. A high school resource and a community resource--two gymnasiums were added to the existing high school campus. A collaborative effort between the city and school district, sharing construction costs and ongoing maintenance costs. Image by permission of Columbia Heights Public Schools.

Permits by County

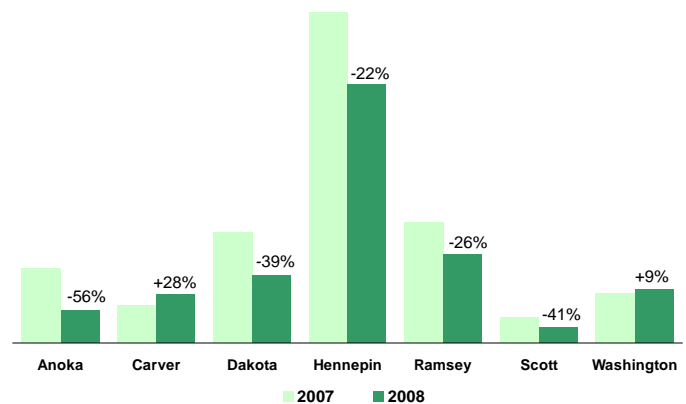
Hennepin County continues to be the site of a large percentage of the region’s commercial, industrial and public construction activity—46 percent of total valuation in 2008. Ramsey County and Dakota County continued to account for the next highest shares—16 percent and 12 percent respectively.

Figure 9
2008 Total Commercial, Industrial and Public Construction Valuation Share of Twin Cities Region by County



Permit valuations dropped from 2007 levels, except in Carver and Washington Counties, which had little impact on the regional total. In the three largest counties, nonresidential valuation totals were down 22 percent (Hennepin), 39 percent (Dakota), and 26 percent (Ramsey).

Figure 10
Total Commercial, Industrial and Public Permit Valuation by County, 2007 and 2008 (in millions), Twin Cities Region



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Table 2
2008 Commercial, Industrial and Public Building Permits
Twin Cities Region by County

| County | Square Feet | Permit Value |
|------------|-------------|-----------------|
| Anoka | 658,511 | \$75,178,684 |
| Carver | 882,456 | 111,007,585 |
| Dakota | 1,520,700 | 156,579,477 |
| Hennepin | 3,903,003 | 594,770,965 |
| Ramsey | 2,173,256 | 204,276,721 |
| Scott | 331,656 | 35,172,633 |
| Washington | 861,193 | 122,489,801 |
| Region | 10,330,775 | \$1,299,475,866 |

Top communities in commercial, industrial and public building permits, 2008

Minneapolis, \$262 million: over half was accounted for by Fairview Hospital Children's project and new data center, and Children's Hospital/Clinic expansion. Also, a new office building for Coloplast (\$32 million) and new Hilton Garden Inn (\$27 million).

St. Paul, \$113 million: a majority for expansion at Regions Hospital and Children's Hospital; construction projects at St. Thomas and Macalester Colleges and at Como Zoo.

Chanhassen, \$74 million: a new high school with permit valuation of \$60 million.

St. Louis Park, \$74 million: West End development rolling along—retail, hotel, movie theatre, parking ramps. In addition, the largest individual permit issued (\$14 million) was for a new medical clinic, the Melrose Institute.

Plymouth, \$68 million: additions at manufacturer McQuay Inc (\$34 million), office/warehouse for US Food Service (\$11 million), and Plymouth Middle School. New Hennepin County library for \$8 million.

Maple Grove, \$41 million: primarily public projects, topped by new Maple Grove Hospital (\$23 million), an addition to the city's community center, and a new Hennepin County library.

Minnetonka, \$34 million: \$20 million for new 270,000 square foot BMW dealership.

Little Canada, \$32 million: \$30 million for St. Jude Medical expansion (180,000 square feet of office space).

Inver Grove Heights, \$32 million: Inver Glen senior housing project, new Super Target, and a \$9 million fine arts building addition at Inver Grove Community College.

Woodbury, \$31 million: a majority of the valuation due to continuing development in Tamarack Hills and Crossroads—office, retail, and medical office finishes and a new junior high school (\$7 million permit).



Inver Glen Senior Housing project, combining assisted/memory care with independent living units. Designed to be the Twin Cities' first LEED-certified senior housing development. On-site child day care center will facilitate organized intergenerational activities. Image by permission, © Southview Senior Living Communities, inverglenseniorking.com

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Table 3
Regional Summary of 2008 Commercial, Industrial and Public Building Permits by Type

| | Square Footage | Permit Value | Value/ Square Ft.* | Total Number of Projects | Number of Projects With Both Value & Sq. Ft. Reported |
|----------------------------|----------------|-----------------|--------------------|--------------------------|---|
| Commercial | 4,989,438 | \$547,731,939 | 94 | 231 | 191 |
| Bank | 47,955 | 12,593,742 | 227 | 11 | 10 |
| Hotel | 362,495 | 48,305,999 | 88 | 5 | 2 |
| Medical | 228,597 | 38,461,418 | 133 | 21 | 14 |
| Mixed use | 27,981 | 26,119,409 | 828 | 5 | 4 |
| Office | 845,782 | 147,252,294 | 143 | 30 | 21 |
| Ramp | 400,463 | 29,974,000 | 57 | 5 | 3 |
| Recreation | 447,826 | 41,355,218 | 91 | 16 | 15 |
| Restaurant | 100,277 | 14,602,200 | 141 | 25 | 22 |
| Retail | 1,965,602 | 155,312,469 | 75 | 76 | 69 |
| Service | 562,460 | 33,755,190 | 44 | 37 | 31 |
| Industrial | 1,952,091 | \$148,197,588 | 74 | 78 | 71 |
| Manufacturing | 658,582 | 60,413,117 | 92 | 22 | 19 |
| Office/warehouse | 747,028 | 47,662,057 | 64 | 34 | 34 |
| Other | 148,474 | 19,344,604 | 108 | 11 | 8 |
| Warehouse | 398,007 | 20,777,810 | 51 | 11 | 10 |
| Public | 3,389,246 | \$603,546,339 | 172 | 118 | 104 |
| Government | 169,119 | 33,541,396 | 198 | 9 | 8 |
| Medical | 1,402,697 | 251,272,756 | 175 | 13 | 10 |
| Ramp | 509,173 | 26,348,189 | 52 | 5 | 5 |
| Recreation | 343,778 | 70,676,162 | 180 | 24 | 21 |
| Religious | 192,353 | 25,105,119 | 131 | 17 | 17 |
| Eduation | 484,028 | 156,007,174 | 321 | 26 | 24 |
| Other | 288,098 | 40,595,543 | 121 | 24 | 19 |
| SUBTOTAL | 10,330,775 | \$1,299,475,866 | 116 | 427 | 366 |
| Airport | - | 101,525,000 | | | |
| TOTAL incl. airport | 10,330,775 | \$1,401,000,866 | | | |

*Value per square foot was calculated based only on those projects having data for both valuation and square footage.

**Table 4
Larger Commercial, Industrial and Public Projects in 2008, Twin Cities Region**

| <u>Community</u> | <u>Name of Building, Firm or Builder</u> | <u>Square Footage</u> | <u>Permit Value</u> | <u>New Bldg. or Addition</u> |
|---|--|-----------------------|---------------------|------------------------------|
| COMMERCIAL | | | | |
| Hotel (at least 50,000 sq. ft. or \$3 million in value) | | | | |
| Minneapolis | Hilton Garden Inn | unknown | \$22,752,000 | New |
| Brooklyn Center | Embassy Suites | 164,335 | 14,053,999 | New |
| St. Louis Park | Homewood Suites | 102,390 | 9,500,000 | New |
| Minneapolis | The W Hotel (finishes) | not applic | 2,000,000 | New |
| New Brighton | Hilton Homewood Suites | 95,770 | 290,751 | New |
| Medical | | | | |
| St. Louis Park | Melrose Institute | 67,000 | \$14,100,000 | New |
| <i>(See also medical projects in the Public category).</i> | | | | |
| Office (at least 50,000 sq. ft. or \$5 million in value) | | | | |
| Minneapolis | Coloplast | 178,000 | \$32,287,551 | New |
| Little Canada | St. Jude Medical | 180,000 | 30,200,000 | New |
| Hopkins | Excelsior Crossings* | not applic | 21,940,000 | New |
| Minneapolis | Fairview Hospital | 25,075 | 16,606,352 | Addn |
| Minnetonka | Crest Ridge Office | 124,000 | 9,935,000 | New |
| Eden Prairie | C.H. Robinson | 7,000 | 6,000,000 | New |
| *Square footage for this building was included in the 2007 construction report. Excelsior Crossing project also entailed parking ramp permits totaling \$7,251,000 in 2008. | | | | |
| Retail (at least 50,000 sq. ft. or \$3 million in value) | | | | |
| Minnetonka | BMW Dealership | 270,000 | \$20,000,000 | New |
| Maplewood | Costco | 152,000 | 10,700,000 | New |
| Inver Grove Heights | Super Target | 176,000 | 10,330,000 | New |
| Roseville | Rainbow Foods | 60,000 | 8,100,000 | New |
| St. Louis Park | The Shops at the West End (shell) | 123,350 | 7,187,000 | New |
| Chaska | Kohl's Store | 78,212 | 6,198,272 | New |
| Minneapolis | Quarry Center | unknown | 5,473,000 | Addn |
| St. Paul | Cub Foods | 61,385 | 4,833,000 | New |
| Minneapolis | Riverside Market | 24,000 | 3,819,000 | Addn |
| White Bear Lake | Sam's Club (incl remodel) | 143,722 | 3,600,000 | Addn |
| Victoria | Fresh Seasons Market | 28,000 | 3,536,500 | New |
| St. Louis Park | Rainbow Foods (shell) | 55,400 | 2,893,000 | New |
| Chaska | PetCo | 105,000 | 1,300,000 | New |

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| <u>Community</u> | <u>Name of Building, Firm or Builder</u> | <u>Square Footage</u> | <u>Permit value</u> | <u>New Bldg. or Addition</u> |
|------------------|--|-----------------------|---------------------|------------------------------|
|------------------|--|-----------------------|---------------------|------------------------------|

INDUSTRIAL

Office/warehouse (at least 75,000 sq. ft. or 42.5 million in value)

| | | | | |
|-------------|-----------------|---------|--------------|------|
| Plymouth | US Food Service | 107,077 | \$11,023,178 | Addn |
| Shakopee | Cameron Coffee | 64,800 | 3,912,300 | New |
| Minneapolis | Impact Mailing | 62,135 | 3,655,975 | New |

Warehouse (at least 75,000 sq. ft. or \$2.5 million in value)

| | | | | |
|-----------|--------|---------|-------------|-----|
| Lakeville | Uponor | 285,000 | \$7,500,000 | New |
|-----------|--------|---------|-------------|-----|

Manufacturing (at least 75,000 sq. ft. or \$2.5 million in value)

| | | | | |
|-----------------|------------------|---------|--------------|------|
| Plymouth | McQuay Inc. | 42,290 | \$33,764,935 | Addn |
| Lakeville | First Industrial | 282,100 | 7,998,000 | New |
| White Bear Twp. | Herauas | 50,000 | 3,500,000 | New |
| Ramsey | Diamond Graphics | 55,328 | 2,767,000 | New |

PUBLIC

Education (at least 50,000 sq. ft. or \$5 million in value)

| | | | | |
|---------------------|---|--------|--------------|------|
| Chanhassen | Chanhassen High School* | | \$60,000,000 | New |
| Cottage Grove | Park Senior High School | 30,042 | 19,000,000 | Addn |
| Baytown Twp. | St. Croix Prep. Academy | 90,000 | 13,500,000 | New |
| Inver Grove Heights | Inver Hills Community College | 20,000 | 9,300,000 | Addn |
| Woodbury | Woodbury Jr. High School | 18,866 | 7,274,000 | New |
| Bloomington | Normandale Comm. College with remodel | 7,000 | 6,298,000 | Addn |
| Rosemount | St Josephs Educational Ctr with remodel | 46,389 | 5,880,500 | Addn |
| Columbia Heights | Columbia Heights Gymnasium | 30,000 | 5,700,000 | Addn |
| Plymouth | Plymouth Middle School | 1,817 | 5,586,000 | Addn |
| St. Paul | Macalester College | 16,585 | 5,000,000 | New |
| St. Paul | Hayden Heights Elementary | 79,440 | 580,600 | Addn |

*406,000 sq ft; was included in 2007 permits report

Commercial, Industrial and Public Construction in the Twin Cities Region: 2008 Summary September 2009

| <u>Community</u> | <u>Name of Building, Firm or Builder</u> | <u>Square Footage</u> | <u>Permit Value</u> | <u>New Bldg. or Addition</u> |
|--|--|-----------------------|---------------------|------------------------------|
| Medical (at least 50,000 sq. ft. or \$5 million in value) | | | | |
| Minneapolis | Fairview Hospital incl renovation | 227,000 | 107,303,646 | Addn |
| St. Paul | Regions Hospital | 385,000 | 47,206,073 | Addn |
| Minneapolis | Children's Hospital & Clinic | 185,000 | 26,778,000 | New |
| Maple Grove | Maple Grove Hospital | 301,518 | 22,997,505 | New |
| Oak Park Heights | Boutwell's Landing Care Center | 90,275 | 17,700,000 | New |
| Inver Grove Heights | Inver Glen Senior Housing | 128,808 | 11,000,000 | New |
| Waconia | Ridgeview Medical Center (finishes) | not applic | 7,560,000 | New |
| St. Paul | Children's Hospital/United | 40,000 | 6,950,000 | Addn |

(See also medical projects in the Commercial category).

Public projects other than medical and education (at least 50,000 sq. ft. or \$10 million in value)

| | | | | |
|-------------|--------------------------------------|---------|------------|-----|
| Andover | Anoka County Safety Campus | 54,270 | 13,328,000 | New |
| St. Paul | College of St. Thomas; parking ramp | 248,455 | 15,343,503 | New |
| Prior Lake | River Valley YMCA | 50,000 | 10,750,000 | New |
| Forest Lake | Forest Lake Athletic Assn, ice arena | 68,884 | 5,016,813 | New |
| New Prague | Wastewater treatment facility | 62,000 | 3,280,000 | New |
| St. Paul | Fire station (Seventh St. West) | 58,274 | 897,700 | New |

**Table 5
Community Totals of Square Footage and Value of Commercial, Industrial and Public Projects, 2008**

| <u>Community</u> | <u>County</u> | <u>Square feet</u> | <u>Permit Value (\$)</u> | <u>Number of Projects</u> | |
|-------------------|-----------------|--------------------|--------------------------|---------------------------|-------------------|
| | | | | <u>With Sq. Ft.</u> | <u>With Value</u> |
| Afton | Washington | | | | |
| Andover | Anoka | 102,301 | 16,651,510 | 5 | 5 |
| Anoka | Anoka | 33,830 | 6,575,890 | 4 | 4 |
| Apple Valley | Dakota | 90,681 | 18,376,000 | 10 | 11 |
| Arden Hills | Ramsey | | | | |
| Bayport | Washington | 1,600 | 110,000 | 1 | 1 |
| Baytown Twp. | Washington | 90,000 | 13,500,000 | 1 | 1 |
| Belle Plaine | Scott | | | | |
| Belle Plaine Twp. | Scott | | | | |
| Benton Twp. | Carver | | | | |
| Bethel | Anoka | | | | |
| Birchwood Village | Washington | | | | |
| Blaine | Anoka/Ramsey | 165,683 | 16,281,300 | 10 | 11 |
| Blakeley Twp. | Scott | | | | |
| Bloomington | Hennepin | 144,092 | 20,859,790 | 5 | 10 |
| Brooklyn Center | Hennepin | 164,335 | 14,053,999 | 1 | 1 |
| Brooklyn Park | Hennepin | 197,515 | 11,446,901 | 14 | 14 |
| Burnsville | Dakota | 269,141 | 14,645,284 | 10 | 10 |
| Camden Twp. | Carver | | | | |
| Carver | Carver | | | | |
| Castle Rock Twp. | Dakota | 4,620 | 290,870 | 2 | 2 |
| Cedar Lake Twp. | Scott | | | | |
| Centerville | Anoka | 5,636 | 409,000 | 1 | 1 |
| Champlin | Hennepin | 14,095 | 541,880 | 2 | 2 |
| Chanhassen | Carver/Hennepin | 165,764 | 74,467,000 | 9 | 10 |
| Chaska | Carver | 206,288 | 9,488,272 | 4 | 4 |
| Circle Pines | Anoka | | | | |
| Coates | Dakota | | | | |
| Cologne | Carver | | | | |
| Columbia Heights | Anoka | 31,776 | 6,082,000 | 2 | 2 |
| Columbus | Anoka | 33,840 | 1,900,000 | 2 | 2 |
| Coon Rapids | Anoka | 46,691 | 9,987,485 | 6 | 6 |
| Corcoran | Hennepin | 14,400 | 510,457 | 1 | 1 |
| Cottage Grove | Washington | 127,282 | 30,251,002 | 8 | 8 |
| Credit River Twp. | Scott | | | | |
| Crystal | Hennepin | | | | |
| Dahlgren Twp. | Carver | 918 | 1,539,670 | 1 | 1 |
| Dayton | Hennepin | | 250,000 | | 1 |
| Deephaven | Hennepin | | | | |
| Dellwood | Washington | | | | |
| Denmark Twp. | Washington | 360 | 100,000 | 1 | 1 |

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| Community | County | Square Feet | Permit Value (\$) | Number of Projects | |
|------------------------|-------------------|-------------|-------------------|--------------------|------------|
| | | | | With Sq. Ft. | With Value |
| Douglas Twp. | Dakota | | | | |
| Eagan | Dakota | 240,700 | 21,056,000 | 15 | 15 |
| East Bethel | Anoka | | 280,183 | | 1 |
| Eden Prairie | Hennepin | 20,423 | 10,813,000 | 2 | 7 |
| Edina | Hennepin | | | | |
| Elko New Market | Scott | 5,156 | 650,000 | 1 | 1 |
| Empire Twp. | Dakota | | 134,000 | | 1 |
| Eureka Twp. | Dakota | 21,296 | 2,930,359 | 2 | 2 |
| Excelsior | Hennepin | | | | |
| Falcon Heights | Ramsey | | | | |
| Farmington | Dakota | 42,504 | 3,603,936 | 3 | 3 |
| Forest Lake | Washington | 110,314 | 7,863,813 | 6 | 7 |
| Fridley | Anoka | 8,700 | 4,625,000 | 1 | 1 |
| Gem Lake | Ramsey | | | | |
| Golden Valley | Hennepin | 28,396 | 3,540,204 | 4 | 4 |
| Grant | Washington | | | | |
| Greenfield | Hennepin | | | | |
| Greenvale Twp. | Dakota | | | | |
| Greenwood | Hennepin | | | | |
| Grey Cloud Island Twp. | Washington | | | | |
| Ham Lake | Anoka | 8,885 | 514,316 | 3 | 3 |
| Hamburg | Carver | | | | |
| Hampton | Dakota | 15,528 | 365,840 | 1 | 1 |
| Hampton Twp. | Dakota | | | | |
| Hancock Twp. | Carver | | | | |
| Hanover | Hennepin | | | | |
| Hassan Twp. | Hennepin | 15,248 | 411,000 | 2 | 2 |
| Hastings | Dakota/Washington | | | | |
| Helena Twp. | Scott | 5,600 | 251,720 | 1 | 1 |
| Hilltop | Anoka | 3,500 | 671,000 | 1 | 1 |
| Hollywood Twp. | Carver | | | | |
| Hopkins | Hennepin | | 29,191,000 | | 3 |
| Hugo | Washington | 37,095 | 2,114,000 | 3 | 5 |
| Independence | Hennepin | 5,100 | 1,100,000 | 1 | 1 |
| Inver Grove Heights | Dakota | 346,718 | 31,602,000 | 6 | 6 |
| Jackson Twp. | Scott | | | | |
| Jordan | Scott | | | | |
| Lake Elmo | Washington | | | | |
| Lake St. Croix Beach | Washington | | | | |
| Lakeland | Washington | 4,881 | 2,000,000 | 1 | 1 |
| Lakeland Shores | Washington | | | | |
| Laketown Twp. | Carver | 2,115 | 134,610 | 1 | 1 |
| Lakeville | Dakota | 737,904 | 30,788,000 | 12 | 12 |
| Landfall | Washington | | | | |

Commercial, Industrial and Public Construction in the Twin Cities Region: 2008 Summary September 2009

| Community | County | Square Feet | Permit Value (\$) | Number of Permits | |
|-----------------------|------------|-------------|-------------------|-------------------|------------|
| | | | | With Sq. Ft. | With Value |
| Lauderdale | Ramsey | | | | |
| Lexington | Anoka | | | | |
| Lilydale | Dakota | | | | |
| Lino Lakes | Anoka | 6,454 | 900,000 | 1 | 1 |
| Linwood Twp. | Anoka | | | | |
| Little Canada | Ramsey | 204,500 | 32,346,000 | 3 | 3 |
| Long Lake | Hennepin | | | | |
| Loretto | Hennepin | | | | |
| Louisville Twp. | Scott | 1,180 | 250,000 | 1 | 1 |
| Mahtomedi | Washington | 46,932 | 5,579,454 | 5 | 6 |
| Maple Grove | Hennepin | 546,383 | 40,832,644 | 6 | 6 |
| Maple Plain | Hennepin | 5,704 | 903,000 | 1 | 1 |
| Maplewood | Ramsey | 205,026 | 21,425,761 | 4 | 4 |
| Marine on St. Croix | Washington | | | | |
| Marshan Twp. | Dakota | | | | |
| May Twp. | Washington | | | | |
| Mayer | Carver | | | | |
| Medicine Lake | Hennepin | | | | |
| Medina | Hennepin | 5,476 | 1,400,000 | 1 | 1 |
| Mendota | Dakota | | | | |
| Mendota Heights | Dakota | 34,835 | 5,300,000 | 2 | 2 |
| Miesville | Dakota | | | | |
| Minneapolis | Hennepin | 801,903 | 261,650,225 | 17 | 29 |
| Minnnetonka | Hennepin | 534,000 | 34,008,000 | 3 | 3 |
| Minnnetonka Beach | Hennepin | | | | |
| Minnetrissa | Hennepin | | | | |
| Mound | Hennepin | | 150,000 | | 1 |
| Mounds View | Ramsey | | | | |
| New Brighton | Ramsey | 120,298 | | 4 | |
| New Germany | Carver | | | | |
| New Hope | Hennepin | 34,279 | 3,340,000 | 4 | 4 |
| New Market Twp. | Scott | | | | |
| New Prague | Scott | 104,239 | 7,138,920 | 4 | 4 |
| New Trier | Dakota | | | | |
| Newport | Washington | | | | |
| Nininger Twp. | Dakota | | | | |
| North Oaks | Ramsey | 13,000 | 1,300,000 | 1 | 1 |
| North St. Paul | Ramsey | 5,171 | 328,758 | 1 | 1 |
| Northfield | Dakota | | | | |
| Norwood Young America | Carver | 24,700 | 2,250,000 | 2 | 2 |
| Nowthen | Anoka | | | | |
| Oak Grove | Anoka | | | | |
| Oak Park Heights | Washington | 90,275 | 18,147,532 | 1 | 2 |
| Oakdale | Washington | 93,000 | 8,200,000 | 2 | 2 |
| Orono | Hennepin | 40,000 | 2,090,123 | 1 | 1 |
| Osseo | Hennepin | 5,800 | 1,000,000 | 1 | 1 |

Commercial, Industrial and Public Construction in the Twin Cities Region: 2008 Summary September 2009

| Community | County | Square Feet | Permit Value (\$) | Number of Projects | |
|-----------------------|-----------------|-------------|-------------------|--------------------|------------|
| | | | | With Sq. Ft. | With Value |
| Pine Springs | Washington | | | | |
| Plymouth | Hennepin | 332,381 | 67,747,042 | 14 | 14 |
| Prior Lake | Scott | 62,327 | 12,030,000 | 2 | 2 |
| Ramsey | Anoka | 211,215 | 10,301,000 | 6 | 6 |
| Randolph | Dakota | | | | |
| Randolph Twp. | Dakota | | | | |
| Ravenna Twp. | Dakota | | | | |
| Richfield | Hennepin | 616 | 375,000 | 1 | 1 |
| Robbinsdale | Hennepin | | | | |
| Rockford | Hennepin | | | | |
| Rogers | Hennepin | 122,296 | 6,785,000 | 5 | 5 |
| Rosemount | Dakota | 70,189 | 19,535,763 | 3 | 5 |
| Roseville | Ramsey | 160,255 | 16,715,000 | 7 | 7 |
| San Francisco Twp. | Carver | | | | |
| Sand Creek Twp. | Scott | 17,795 | 799,719 | 2 | 2 |
| Savage | Scott | 28,504 | 4,150,000 | 4 | 4 |
| Scandia | Washington | | | | |
| Sciota Twp. | Dakota | | | | |
| Shakopee | Scott | 102,078 | 9,636,654 | 4 | 5 |
| Shoreview | Ramsey | 10,000 | 150,000 | 1 | 1 |
| Shorewood | Hennepin | | | | |
| SMSC (Shakopee Sioux) | Scott | | | | |
| South St. Paul | Dakota | 39,883 | 6,401,425 | 4 | 4 |
| Spring Lake Pk. | Anoka/Ramsey | | | | |
| Spring Lake Twp. | Scott | 4,777 | 265,620 | 1 | 1 |
| Spring Park | Hennepin | | | | |
| St. Anthony | Hennepin/Ramsey | 1,847 | 8,450,000 | 1 | 2 |
| St. Bonifacius | Hennepin | 25,289 | 2,817,700 | 3 | 3 |
| St. Francis | Anoka | | | | |
| St. Lawrence Twp. | Scott | | | | |
| St. Louis Park | Hennepin | 820,772 | 74,354,000 | 14 | 14 |
| St. Mary's Point | Washington | | | | |
| St. Paul | Ramsey | 1,219,415 | 112,591,643 | 31 | 35 |
| St. Paul Park | Washington | 19,680 | 2,100,000 | 1 | 1 |
| Stillwater | Washington | | 575,000 | | 1 |
| Stillwater Twp. | Washington | | | | |
| Sunfish Lake | Dakota | | | | |
| Tonka Bay | Hennepin | | | | |
| Vadnais Heights | Ramsey | 5,131 | 518,000 | 2 | 2 |
| Vermillion | Dakota | | | | |
| Vermillion Twp. | Dakota | | | | |
| Victoria | Carver | 66,780 | 8,857,554 | 3 | 3 |
| Waconia | Carver | 9,891 | 14,270,479 | 1 | 4 |
| Waconia Twp. | Carver | | | | |

Commercial, Industrial and Public Construction in the Twin Cities Region: 2008 Summary September 2009

| <u>Community</u> | <u>County</u> | <u>Square Feet</u> | <u>Permit Value (\$)</u> | <u>Number of Permits</u> | |
|-------------------------------|-------------------|--------------------|--------------------------|--------------------------|-------------------|
| | | | | <u>With Sq Ft.</u> | <u>With Value</u> |
| Waterford Twp. | Dakota | | | | |
| Watertown | Carver | | | | |
| Watertown Twp. | Carver | | | | |
| Wayzata | Hennepin | 24,500 | 4,600,000 | 2 | 2 |
| West Lakeland Twp. | Washington | 4,466 | 950,000 | 1 | 1 |
| West St. Paul | Dakota | 12,701 | 1,550,000 | 2 | 2 |
| White Bear Lk. | Ramsey/Washington | 178,613 | 6,951,559 | 9 | 9 |
| White Bear Twp. | Ramsey | 50,000 | 3,500,000 | 1 | 1 |
| Willernie | Washington | | | | |
| Woodbury | Washington | 235,308 | 30,999,000 | 13 | 22 |
| Woodland | Hennepin | | | | |
| Young America Twp. | Carver | | | | |
| REGION TOTAL | | 10,330,775 | 1,299,475,866 | 369 | 423 |
| Mpls.-St. Paul Airport | Hennepin | | 101,525,000 | | 1 |
| Total including airport area* | | | 1,401,000,866 | 369 | 424 |

*Listing for the MSP airport area is composite, not individual project listings.

About the data

Measuring the volume of commercial, industrial and public construction activity over a given period of time is not entirely straightforward. Some information sources that report on new developments focus on when construction started, some on how much development is underway at a point in time, some on when a structure is completed or occupied. In this report, projects are counted at the time local units of government issue building permits. No information on demolitions is included, so the data represent a gross construction volume, but not the net gain in property value or space. With subsequent annual updates, the data should be useful for assessing longer-range trends.

Multiple building permits may be issued for a given project, separate from the permit for the major structural work—for example, for foundation work, mechanical, electrical, and finishing work. Metropolitan Council has attempted to represent the permit valuation and square footage for all new projects and additions (if over \$100,000) and to avoid duplicate reporting of these. However, there may be some inconsistency because of the complexity of some projects and differences among local permit record-keeping systems. Where it was possible to differentiate, we have not included permits that were only for remodeling, mechanical, electrical, plumbing, and finishing work.

Project “value” reflects the estimated cost of construction reported on the building permit. Permit values exclude some costs including land and landscaping, and are typically lower than market values of completed properties.

City-to-city comparisons may not be entirely valid if there are differences in survey completeness or methods of permit valuation.

Other construction activity may have occurred on properties of state and federal jurisdictions that are not included in this report. The University of Minnesota, for example, is not covered in Metropolitan Council’s survey since it does not have to apply for building permits from local jurisdictions.

Occasionally a project will be put on hold after the building permit has been issued. All permits reported by local officials for this survey are included in our data base and in this report, regardless of status. It would not be feasible to do continuous follow up of all projects through the construction process.

Data collection methods

The Metropolitan Council surveyed each city and township, requesting the following information:

- Building name or tenant (if unknown, may list developer)
- Building type
- Address
- Parcel identification number (PIN)
- Description of building use
- Square footage
- Permit value of building
- Month permitted
- New building or addition

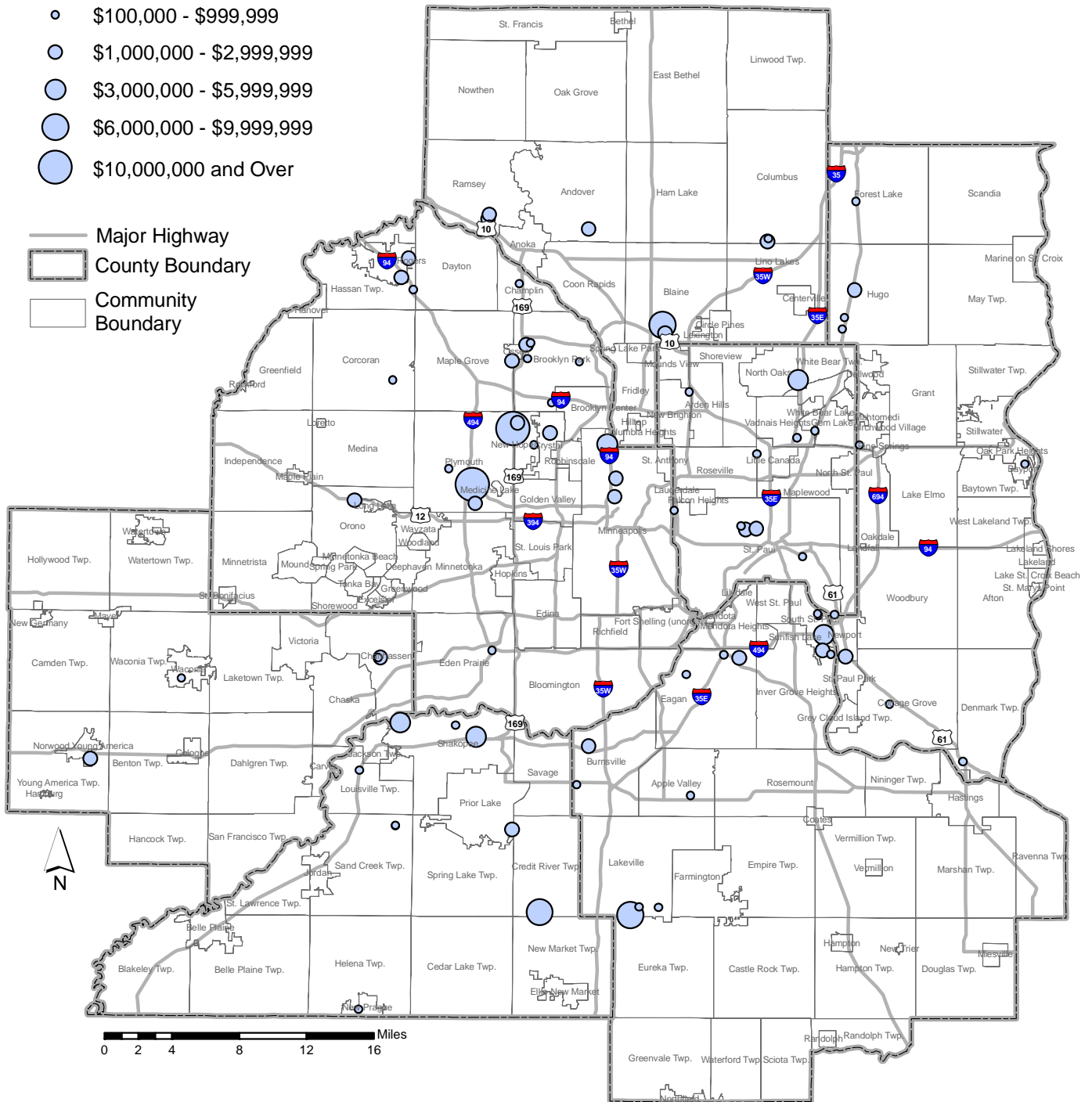
To promote consistency and completeness, Metropolitan Council Research validated survey responses with Service Availability Charge (SAC) reports where possible. Additional information from SAC reports and other sources was incorporated where appropriate.

Council Research staff designated each listing as either “Commercial,” “Industrial,” or “Public”, based on descriptive information provided by survey respondents. The Public category includes government-owned structures and semi-public buildings (hospitals, schools, churches, community centers) owned or occupied by nonprofit organizations (including religious). All schools were coded as Public use, whether ownership is public or private.

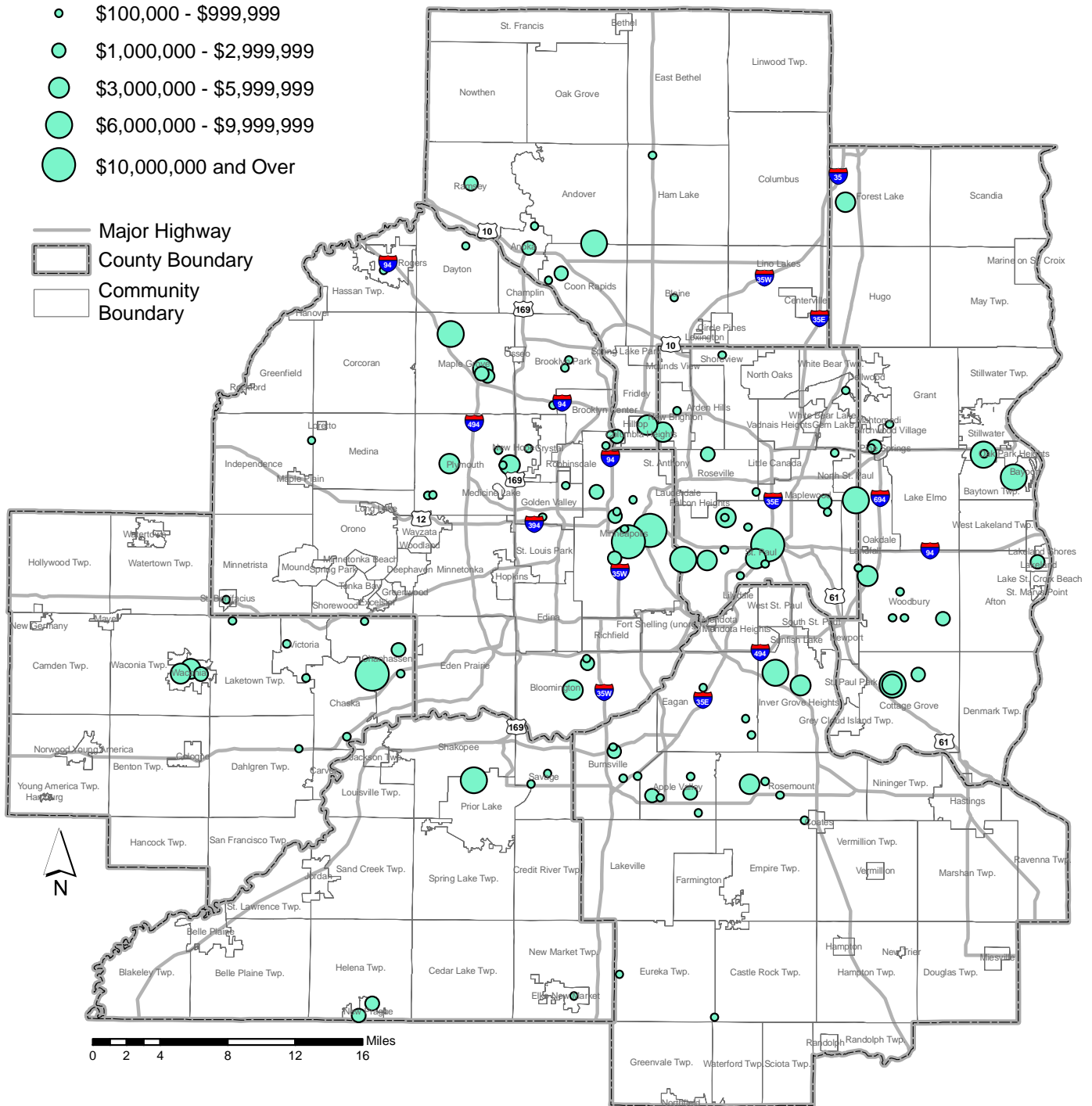
The Minneapolis-St. Paul International Airport is not within the boundaries of a minor civil division. The Metropolitan Airports Commission provided data on airport construction.

For complete address information for each construction project, and mapping capability, see the MetroGIS website at <http://www.datafinder.org>.

Value of Industrial Construction Added in 2008



Value of Public Construction Added in 2008



Value of Retail Construction Added in 2008

