

**Agenda**  
**City of Minnetonka**  
**Economic Development Advisory Commission**  
**Thursday, March 20, 2025**  
**6:00 PM**  
**Council Chambers**  
**14600 Minnetonka Blvd.**



1. Call to Order
2. Roll Call
3. Approval of Agenda
4. Approval of Minutes
  - A. [Jan. 16, 2025 minutes](#)
5. Business Items
  - A. [Business Survey](#)
  - B. [Commercial Market Analysis](#)
  - C. [Economic Improvement Program \(EIP\)](#)
  - D. [Economic Development and Housing Updates](#)
6. Adjournment

The next scheduled EDAC meeting will be held on Thursday, May 8, 2025.

If you have questions about any of the agenda items, please contact:  
Alisha Gray, EDFP, Economic Development and Housing Manager (952) 939-8285  
Julie Wischnack, FAICP, Community Development Director, (952) 939-8282

**Economic Development Advisory Commission  
Agenda Item 4.A  
Meeting of March 20, 2025**



**Title:** Jan. 16, 2025 minutes  
**Report from:** Lois Mason, Secretary  
**Submitted Through:** Alisha Gray, EDFP, Economic Development and Housing Manager

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**Action Requested:** Motion  
**Form of Action:** Minutes  
**Votes needed:** 4 votes

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**Recommended Action**

Approve the minutes.

**Background**

See attached draft minutes.

**ATTACHMENTS:**

[Minutes](#)

**Unapproved  
Minnetonka  
Economic Development Advisory Commission  
Minutes**

**Jan. 16, 2025**

**1. Call to Order**

Chair Jacobsohn called the meeting to order at 6 p.m.

**2. Roll Call**

EDAC commissioners Irene Connors, Ann Duginske Cibulka, Maram Falk, Jay Hromatka, and Lee Jacobsohn were present. David Haeg and Melissa Johnston were absent.

Community Development Director Julie Wischnack, Economic Development and Housing Manager Alisha Gray and Economic Development Coordinator Kjerstin Yager were present.

Financial Consultant Shane Rudland from Ehlers and Associates was present.

Councilmember Deb Calvert was present.

**3. Approval of Agenda:** The agenda was approved as submitted.

**4. Approval of Minutes:** Sept. 30, 2024

Hromakta moved, Connors seconded, a motion to approve the Sept. 30, 2024 meeting minutes as submitted. Connors, Duginske Cibulka, Falk, Hromatka and Jacobsohn voted yes. Haeg and Johnston were absent. Motion carried.

**5. Business Items**

**A. Business Update**

Chair Jacobsohn introduced the item and called for the staff report.

Yager and Wischnack provided the staff report.

Chair Jacobsohn saw the value in using these tools to gain information on how businesses may best meet the needs of consumers.

**B. Transit Update**

Chair Jacobsohn introduced the item and called for the staff report.

Yager provided the staff report.

Falk stated that the transit link is a great option. She asked if there would be additional services added for residents who do not live within walking distance of a transit stop. Yager invited commissioners to read the report that details market areas; the demand for transit services to those areas; and what services it makes sense to provide for those areas. Metro Transit is using the same information to plan its services. The data collected from the commercial real estate market analysis will be used to help make decisions to meet residents' transit needs.

Wischnack explained that the Network Now study objectively looks at what services would work best for Minnetonka. The micro-transit option is receiving positive feedback. Historically, fixed routes have not worked well for the middle of Minnetonka.

Connors asked how it would be determined what portions of Minnetonka would be offered metro-micro-transit service. Yager explained that those parameters would be determined in the future. Metro Transit is interested in using metro-micro transit to help residents access the light rail.

In response to Falk's question, Yager answered that the report explains that Minnetonka has greater coverage for non-commute and weekend times for traditional bus routes than peer cities. The Network Now study suggests increasing the number of those routes, including adding more on Sundays.

Yager noted that shuttle services work better on narrow roads than a bus and provide a gauge for Metro Transit to determine the demand for a regular route in the area.

Chair Jacobsohn saw how micro transit transporting patrons to Hwy 7 could justify increasing the number of bus routes on Hwy 7.

Duginske Cibulka confirmed with Yager that the study shows that ridership is increasing in Minnetonka and improving at a faster rate than in peer cities. Yager stated that, as a whole, Metro Transit's ridership is increasing, but not yet to the level it was before the pandemic.

Yager continued the staff report.

Calvert shared that councilmembers and the mayor are excited about micro transit and ride-share options being used to provide more connections to express bus routes and the light rail. She noted that getting on and off a bus can be difficult in severe weather. She supports having a place to sit at bus stops to promote more ridership. Minnetonka has a higher level of transit service than other similar suburbs.

Wischnack noted that Metro Transit has a program called Adopt a Stop that encourages bus patrons to work together to maintain the safety and cleanliness of their bus stop.

Chair Jacobsohn noted that decreasing the number of trips from Minnetonka to downtown Minneapolis and St. Paul would help reduce the carbon footprint. Working

with Metro Transit is probably the best option to provide a ride from Minnetonka to other cities.

Calvert felt that small buses would work well for the high concentration of seniors residing in the Glen Lake area.

Chair Jacobsohn noted the importance of identifying the most popular destinations, including hospitals and medical clinics. He suggested using the information collected in the business survey to determine where people are going.

Yager continued the staff report.

Chair Jacobson appreciated the study's results and acknowledged that there are issues with providing mass transit for areas of the city where residences are spread out.

### **C. Economic Development and Housing Report**

Chair Jacobsohn introduced the item and called for the staff report.

Wischnack and Gray reported.

The next EDAC meeting is scheduled to be held on Feb. 13, 2025 at 6 p.m.

Hromotka requested staff provide commissioners with updates on the progress of Chasewood Villas completing the repairs and being removed from the black list. Wischnack stated that construction on the 170 units is anticipated to begin this summer.

Wischnack thanked Chair Jacobsohn and Johnston for their eight years of service on the EDAC. Chair Jacobsohn found learning how the city works interesting and very impressive.

### **6. Adjournment**

The meeting adjourned at 7:10 p.m.

**Economic Development Advisory Commission  
Agenda Item 5.A  
Meeting of March 20, 2025**



**Title:** Business Survey

**Report from:** Kjerstin Yager, Economic Development Coordinator  
Peter Leatherman, Morris Leatherman Company - presenter

**Submitted Through:** Julie Wischnack, FAICP, Community Development Director  
Alisha Gray, EDFP, Economic Development and Housing Manager

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**Action Requested:** Informational

**Form of Action:** Report

**Votes needed:** N/A

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**Recommended Action**

Informational

**Background**

See attached staff report and survey results

**ATTACHMENTS:**

[Business Survey staff report](#)  
[2025 Business Survey Results](#)

## **Background**

In spring 2021, Minnetonka retained Cobalt Community Research to conduct a citywide business climate survey. The study's goal was to better understand the state of the local economy and identify any program or outreach changes necessary to connect with businesses coming out of the pandemic. Following this survey, staff developed a Business Development Strategy Work Plan to enhance services to the business community. This work resulted in the production of additional *Thrive* publications, the development of a business email list, the creation of professionally drafted brochures, the gathering of market data through Visitor360 reports, and new business loan programs.

In the winter of 2024, Minnetonka retained Morris Leatherman Company to conduct a follow-up business survey. This survey builds upon the data received from the 2021 business survey, providing updated information on the state of the local economy and identifying any changing business needs. Morris Leatherman Company has also conducted the city's resident survey for over 20 years. Businesses were called in late January through early February 2025.

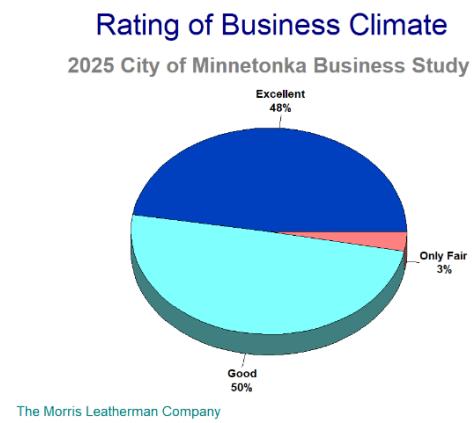
## **Methodology**

Morris Leatherman Company completed 400 anonymous business surveys via phone using a business contact list provided by the city and a private broker. Language interpreters were available, and business owners could reschedule the survey at a time that worked best for them. The goal of the cold-call nature of the survey was to gather a more accurate portrayal of businesses' experiences. Opt-in surveys have a tendency to solicit the feedback of respondents with the strongest opinions, which may not be reflective of the community as a whole. Morris Leatherman Company recommended 400 businesses to create a statistically significant sample size.

## **Respondent Demographics**

A large percentage, 43%, of business owners surveyed had a business that had been in Minnetonka for over 20 years. They represented a variety of industries, the largest being retail, followed by personal service and restaurants. Most businesses in Minnetonka are small businesses. Almost half of these businesses had one to ten full-time employees, and the majority had one to ten part-time employees. The majority of business owners were between 40 and 64 years old and were white. The split between those who owned their business property and those who rented their space was fairly even, at 51% and 44%, respectively.

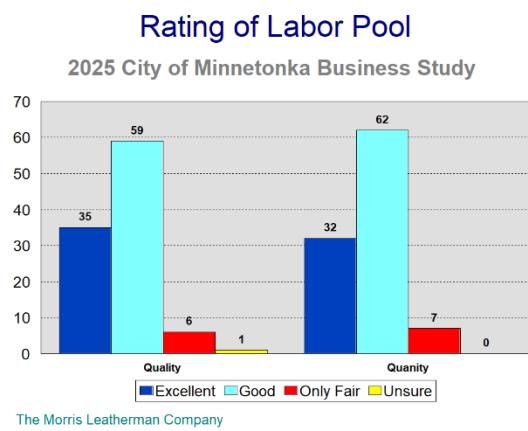
## Business Climate



Businesses surveyed expressed high satisfaction and stability in Minnetonka. The large majority of business owners ranked Minnetonka's business climate positively. Fifty-nine percent were very optimistic about the future of their business in Minnetonka, and 37% were somewhat optimistic (96% positive). Seventy-four percent did not believe the city could do anything to improve the business climate.

Twenty-six percent of businesses surveyed said there was no serious issue facing their business in Minnetonka. Of the serious concerns expressed, the biggest one was the inflation/cost of living and doing business.

## Workforce



As business owners expressed stability and satisfaction about being in Minnetonka overall, they were also positive about their workforce. The large majority of businesses have not changed their number of full-time employees in the last two years and also do not plan to change that number in the upcoming two years. Most businesses did not change their work arrangements during the pandemic, and those who did focused primarily on sanitary changes. The majority of Minnetonka businesses surveyed do not have employees who work from home. The survey showed that Minnetonka has

a highly educated workforce, as one-third reported that the majority of their workforce are college graduates, and 70% of businesses reported that they had no employees who had not graduated from high school. The most significant areas for growth expressed were in employees' communication and their ability to be team players.

## City Services



known services were business support services and the Thrive business newsletter. Businesses were most interested in having the city focus on retaining and growing existing businesses.

## Next Steps

The results will be shared with the Minnetonka Business Council, the Economic Development Advisory Commission, and the Minnetonka City Council (May study session). Feedback will be utilized to enhance programming in the Economic Improvement Program.

## Attachments

- 2025 Business Survey Results

The majority of businesses surveyed, 98%, rated the City of Minnetonka's attitudes and responsiveness toward local businesses as good or excellent (65% and 33% respectively). Seventy-three percent of businesses rated the city services as good. Of the 23% of businesses that had contact with a city employee in the last year, 97% reported that they were satisfied with the interaction.

Depending on the particular service, between 48% and 74% of businesses were aware of the city's business services. The most favorable

THE MORRIS LEATHERMAN COMPANY  
3128 Dean Court  
Minneapolis, Minnesota 55416

CITY OF MINNETONKA  
BUSINESS STUDY  
FINAL JANUARY 2025

PERSON: \_\_\_\_\_

BEST TIME/DAY: \_\_\_\_\_

TELEPHONE NUMBER: \_\_\_\_\_

Hello, I'm \_\_\_\_\_ of the Morris Leatherman Company, a statewide survey research firm located in Minneapolis. We've been hired by the City of Minnetonka over the past three decades to speak with residents. We are conducting a random sample of businesses located in Minnetonka about issues facing the community. This survey is being taken because the City is interested in identifying ways the City can serve the business community's needs. I want to assure you that all individual responses will be held strictly confidential; only summaries of the entire sample will be reported. Your business name will not be referred to anywhere in the results. Do you have a few minutes now to help us with this survey?

1. What is your type of business? (DO NOT READ LIST)

RETAIL . . . . .	29%
MEDICAL/HEALTH CARE . . . . .	8%
MANUFACTURING . . . . .	5%
TECHNOLOGY . . . . .	2%
HOSPITALITY/HOTEL/ACCOMODATIONS . . . . .	4%
RESTAURANT . . . . .	13%
PROFESSIONAL SERVICE, SUCH AS LAWYER OR ACCOUNTANT . . . . .	9%
PERSONAL SERVICE, SUCH AS HAIR SALON OR DRYCLEANER . . . . .	18%
AUTOMOTIVE DEALER/SERVICE/MAINTENANCE . . . . .	6%
CONSTRUCTION . . . . .	5%
SCATTERED . . . . .	2%

2. How long has your business been located in Minnetonka?	TWO YEARS OR LESS.....2% THREE TO FIVE YEARS....4% SIX TO TEN YEARS.....15% 11 TO 15 YEARS.....16% SIXTEEN TO TWENTY YRS.16% OVER TWENTY YEARS.....43% DON'T KNOW/REFUSED.....4%
3. What was the primary reason you located your business in Minnetonka?	DON'T KNOW/REFUSED.....4% LOCATION.....14% CUSTOMER BASE.....15% SPACE AVAILABILITY....15% CLOSE TO HOME.....2% BOUGHT EXISTING.....4% CORPORATE DECISION....18% QUALITY OF LIFE.....13% QUALITY OF SCHOOLS.....1% WORKFORCE.....4% LIVED IN MINNETONKA...10% REPUTATION.....1%

Continuing....

4. How would you rate the business climate in Minnetonka - excellent, good, only fair, or poor?	EXCELLENT.....48% GOOD.....50% ONLY FAIR.....3% POOR.....0% DON'T KNOW/REFUSED.....0%
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IF "ONLY FAIR" OR "POOR," ASK: (n=11)

5. Why did you rate the business climate as (only fair/poor)?

POOR QUALITY OF WORKFORCE, 18%; POOR ECONOMY, 36%;  
POOR CUSTOMER SERVICE, 18%; CLOSE BUSINESSES, 9%; HIGH COST OF DOING BUSINESS, 18%.

6. Is there anything the City government of Minnetonka can do to improve the business climate in the city? (DO NOT READ LIST)	DON'T KNOW/REFUSED....12% NOTHING.....74% INCENTIVES.....2% LOWER TAXES.....7% MORE REDEVELOPMENT.....2% SCATTERED.....3%
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IF A RESPONSE IS GIVEN, ASK: (n=57)

7. Specifically, what would you like the City government do about \_\_\_\_\_?

REFUSED, 2%; LOWER TAXES, 33%; REDEVELOP OLDER BUILDINGS, 9%; TAX INCENTIVES FOR START-UPS, 7%; LESS NEW CONSTRUCTION, 7%; MORE POLICE PATROLLING, 9%; BETTER CITY SPENDING, 5%; MORE STREET LIGHTS, 4%; BUSINESS GRANTS, 7%; SCATTERED, 17%.

8. How optimistic are you about the future of your business in Minnetonka - are you very optimistic, somewhat optimistic, not too optimistic, or not at all optimistic?      VERY OPTIMISTIC.....59%  
SOMEWHAT OPTIMISTIC...37%  
NOT TOO OPTIMISTIC.....2%  
NOT AT ALL OPTIMISTIC..0%  
DON'T KNOW/REFUSED.....3%

9. What do you think is the most serious issue facing your business in Minnetonka?

UNSURE, 2%; NOTHING, 26%; INFLATION/COST OF LIVING, 16%; HIGH TAXES, 7%; COST OF DOING BUSINESS, 10%; HIGH RENT/LEASE, 3%; WORKFORCE SHORTAGE, 7%; COMPETITION, 5%; LACK OF CLIENTS/CUSTOMERS, 4%; POOR QUALITY OF WORKFORCE, 4%; SUPPLY CHAIN ISSUES, 2%; QUANTITY OF QUALIFIED EMPLOYEES, 2%; LACK OF PROFITS, 2%; SCATTERED, 10%.

For each of the following, please tell me if it is a very serious issue, somewhat serious issue, or not a serious issue for your business. (ROTATE)

	VRS	SMS	NTS	DKR
10. Amount of city taxes?	22%	42%	36%	1%
11. Access to capital?	5%	32%	62%	1%
12. General economic conditions?	32%	50%	18%	0%
13. Cost of doing business?	38%	36%	27%	0%
14. Traffic congestion?	2%	12%	87%	0%
15. Health care costs?	6%	33%	61%	0%
16. High rent or lease?	7%	32%	61%	0%
17. Lack of customers or business?	3%	9%	87%	1%
18. Availability or access to high speed internet?	0%	4%	96%	0%
19. Availability of public transportation?	0%	9%	92%	0%
20. Crime rates?	2%	13%	85%	0%
21. City regulations and enforcement?	0%	22%	78%	0%

Turning to your current workforce....

22. How many full-time employees work at this location?	NONE.....0% 1-10.....48% 11-20.....23% 21-50.....16% 51-99.....3% 100 OR MORE.....10% DON'T KNOW.....0% REFUSED.....0%
23. How many part-time employees work at this location?	NONE.....18% 1-10.....54% 11-20.....17% 21-50.....6% 51-99.....3% 100 OR MORE.....3% DON'T KNOW.....0% REFUSED.....0%
24. Did the number of full-time employees working at this location increase, decrease, or remain about the same during the past twenty-four months?	INCREASE.....9% DECREASE.....10% REMAIN ABOUT SAME.....82% DON'T KNOW.....0% REFUSED.....0%
25. During the next twenty-four months will the number of full-time employees working at this location increase, decrease, or remain about the same?	INCREASE.....8% DECREASE.....2% REMAIN ABOUT SAME.....75% DON'T KNOW.....15% REFUSED.....0%
26. Have you changed where and how employees work after the pandemic?	YES.....12% NO.....87% DON'T KNOW/REFUSED.....1%

IF "YES," ASK: (n=49)

27. What changes have you made?

REFUSED, 4%; PERSONAL PROTECTION, 16%; REQUIRE HANDWASHING, 14%; MORE SICK DAYS/TIME-OFF, 10%; MORE VIRTUAL MEETINGS, 2%; CONTACTLESS PAYMENTS/TRANSACTIONS, 10%; SOCIAL DISTANCING, 4%; SCHEDULE CHANGES, 4%; MORE CLEANING/SANITIZING, 19%; RELAX IN-PERSON REQUIREMENTS, 16%.

28. Have or will these changes impact how much space you need for employees at your business location? YES.....6%  
NO.....94%  
DON'T KNOW/REFUSED.....0%

29. What percent of your employees work from home full-time?

NONE.....	91%
20% OR LESS.....	4%
MORE THAN 20%.....	5%

30. What percent of your employees work from home part-time?

NONE.....	92%
10% OR LESS.....	4%
MORE THAN 10%.....	4%

I would like to ask you about the overall composition of your workforce. For each of the following, please tell me approximately what percentage of your workforce is composed of that group.

31. Non-high school graduates?

NONE.....	70%
10% OR LESS.....	17%
MORE THAN 10%.....	13%

32. High school graduates?

NONE.....	34%
15% OR LESS.....	13%
16% TO 25%.....	15%
26% TO 40%.....	26%
OVER 40%.....	13%

33. Technical or vocational school graduates?

NONE.....	18%
20% OR LESS.....	27%
21% TO 40%.....	26%
OVER 40%.....	29%

34. College graduates?

NONE.....	4%
LESS THAN 20%.....	19%
20% TO 29%.....	22%
30% TO 49%.....	21%
50% TO 70%.....	18%
OVER 70%.....	16%

35. How would you rate the quality of the labor pool for your business - excellent, good, only fair, or poor?

EXCELLENT.....	35%
GOOD.....	59%
ONLY FAIR.....	6%
POOR.....	0%
DON'T KNOW/REFUSED.....	1%

36. How would you rate the quantity of the labor pool for your business - excellent, good, only fair, or poor?

EXCELLENT.....	32%
GOOD.....	62%
ONLY FAIR.....	6%
POOR.....	1%
DON'T KNOW/REFUSED.....	0%

IF "ONLY FAIR" OR "POOR" IN EITHER QUESTION #35 OR #36, ASK:  
(n=40)

37. For your business, would you say this issue is already impacting your ability to do business, will it start to impact your ability to do business within a couple of years, or is it more of a long-range concern?	ALREADY IMPACTING.....58% COUPLE OF YEARS.....8% LONG-RANGE CONCERN.....35% DON'T KNOW/REFUSED.....0%
38. What employment skills and competencies are most important to your company?	DON'T KNOW/REFUSED.....0% CUSTOMER SERVICE.....31% COMMUNICATION.....12% PROMPTNESS.....7% ARTS/VISUAL.....3% TECHNOLOGY.....3% WORK ETHIC.....11% ATTENTION TO DETAILS..15% SALES.....7% TRADE SKILLS.....7% SCATTERED.....4%
39. What employment skills and competencies, if any, need to be improved for the future?	DON'T KNOW/REFUSED.....3% NONE.....30% PROMPTNESS.....8% COMMUNICATION.....16% ORGANIZATION.....5% BEING A TEAM PLAYER...16% ATTENTION TO DETAILS...9% TECHNOLOGY.....2% CUSTOMER SERVICE.....12%
40. What percent of your employees lives in Minnetonka?	NONE.....3% 50% OR LESS.....27% 51% TO 70%.....24% 71% TO 80%.....22% OVER 80%.....24%
41. What is the average commute time of your employees to and from work?	UNSURE.....2% 10 MINUTES OR LESS....15% 11 TO 15 MINUTES.....27% 16 TO 20 MINUTES.....23% MORE THAN 20 MINUTES..33%
42. What percent of your workforce uses public transit to get to and from work?	NONE.....59% 10% OR LESS.....25% MORE THAN 10%.....16%

43. Is your business located near a city trail? YES.....32%  
NO.....60%  
DON'T KNOW/REFUSED.....8%

IF "YES," ASK: (n=129)

44. Do your employees or clients use a city trail to get your business? YES.....20%  
NO.....63%  
DON'T KNOW/REFUSED.....17%

45. Do you provide resources to employees to encourage alternative forms of transportation to get to work? YES.....11%  
NO.....89%  
DON'T KNOW/REFUSED.....1%

The Metro Green Line Extension, also called the Southwest Light Rail, will be a high-frequency train serving the southwest metro area. The Southwest LRT line will go from Eden Prairie to Saint Paul via Minnetonka, connecting to other light rail lines and high-frequency bus routes in downtown Minneapolis, providing access to other areas in the Twin Cities.

46. Were you aware the Southwest Light Rail is scheduled to start operating with passengers in Minnetonka in 2027? YES.....69%  
NO.....30%  
DON'T KNOW/REFUSED.....2%

47. Do you think the Southwest Light Rail will be an asset to your business? YES.....41%  
NO.....38%  
DON'T KNOW/REFUSED.....22%

Metro Transit Micro is an on-demand pilot service offered by Metro Transit, similar to Uber and Lyft. Users may request a ride through the mobile app or by phone, indicating the location from which you want to be picked up and where you want to go in the local area.

48. Do you think your employees would be interested in using this service to get to or from work? YES.....26%  
NO.....48%  
DON'T KNOW/REFUSED.....26%

For each of the following sustainability-related actions, please tell me if your business has undertaken it. For each you have not undertaken, please tell me if you have plans to undertake it in the future.

		YES	NO / YES	NO / NO	DK / REF	
49.	A building energy audit?	42%	0%	57%	1%	
50.	Energy-efficiency upgrades?	33%	3%	63%	1%	
51.	Water efficiency upgrades?	15%	1%	83%	1%	
52.	Installation of electric vehicle charging stations?		1%	6%	93%	1%
53.	Organics collection?	16%	0%	84%	0%	
54.	Waste reduction or reuse?	34%	0%	65%	1%	
IF "NO/YES," ASK: (n=25)						
55.	Would you like to receive implementation support from the City of Minnetonka?		YES.....	20%		
			NO.....	72%		
			DON'T KNOW/REFUSED.....	8%		
56.	Do you think the availability of housing in Minnetonka is a problem for the retention and recruitment of employees at your business? (IF "YES," ASK:) What type of housing would you like to see made available in the city?					
	UNSURE, 3%; NO, 93%; AFFORDABLE HOUSING, 2%; SCATTERED, 2%.					
57.	Do you think the availability of affordable day care is a major issue for your employees, a minor issue, or not an issue at all?		MAJOR ISSUE.....	1%		
			MINOR ISSUE.....	17%		
			NOT AN ISSUE AT ALL...78%			
			DON'T KNOW/REFUSED.....	4%		
Continuing....						
58.	Has traffic congestion impacted your business?		YES.....	10%		
			NO.....	89%		
			DON'T KNOW/REFUSED.....	2%		
IF "YES," ASK: (n=38)						
59.	Has it impacted your ability to attract and retain employees, customers and clients or both?		EMPLOYEES.....	34%		
			CUSTOMERS/CLIENTS.....	37%		
			BOTH.....	29%		
			DON'T KNOW/REFUSED.....	0%		
60.	Do you believe Minnetonka has enough public transportation options?		YES.....	79%		
			NO.....	10%		
			DON'T KNOW/REFUSED.....	11%		
IF "NO," ASK: (n=41)						

61. Has the lack of public transportation options impacted your ability to attract and retain employees, clients and customers or both?

EMPLOYEES.....37%  
 CUSTOMERS/CLIENTS.....10%  
 BOTH.....54%  
 DON'T KNOW/REFUSED.....0%

62. How important is access to the airport, freeways, the port and freight rails to your business - is it very important, somewhat important, not too important, or not at all important?

VERY IMPORTANT.....16%  
 SOMEWHAT IMPORTANT....37%  
 NOT TOO IMPORTANT.....25%  
 NOT AT ALL IMPORTANT..19%  
 DON'T KNOW/REFUSED.....3%

Let's now talk about City services....

From what you have heard or seen....

63. How would you rate the City of Minnetonka's attitudes and responsiveness toward local businesses - excellent, good, only fair, or poor?

EXCELLENT.....33%  
 GOOD.....65%  
 ONLY FAIR.....2%  
 POOR.....0%  
 DON'T KNOW/REFUSED.....1%

IF "ONLY FAIR" OR "POOR," ASK: (n=8)

64. Why did you rate them as (only fair/poor)?

SLOW RESPONSE, 50%; SLOW BUSINESS GROWTH, 25%; NOT HELPFUL, 25%.

65. Overall, how would you rate city services - excellent, good, only fair or poor?

EXCELLENT.....27%  
 GOOD.....73%  
 ONLY FAIR.....1%  
 POOR.....0%  
 DON'T KNOW/REFUSED....0%

IF "ONLY FAIR" OR "POOR," ASK: (n=2)

66. Which city services do you think are (only fair/poor)?

STREET LIGHTS, 100%.

67. During the past year, have you had interaction on an official basis with anyone working for the City of Minnetonka?

YES.....23%  
 NO.....77%  
 DON'T KNOW/REFUSED.....0%

IF "YES," ASK: (n=93)

68. In general, were you satisfied	SATISFIED.....	97%
or dissatisfied with the way	DISSATISFIED.....	0%
in which that contact was	DON'T KNOW.....	3%
handled by the City?	REFUSED.....	0%

IF "DISSATISFIED," ASK: (n=0)

69. Why were you dissatisfied?

NOT APPLICABLE.

70. All in all, do you think things	POSITIVE DIRECTION....	87%
in Minnetonka are headed in a posi-	WRONG TRACK.....	1%
tive direction, or are things off	DON'T KNOW.....	12%
on the wrong track?	REFUSED.....	0%

IF "WRONG TRACK," ASK: (n=5)

71. Why do you feel things are off on the wrong track?

HIGH TAXES, 60%; BUSINESSES LEAVING MINNETONKA, 40%.

72. When you consider property taxes	EXCELLENT.....	22%
and the quality of city services	GOOD.....	67%
in Minnetonka, would you rate the	ONLY FAIR.....	3%
general value of city services as	POOR.....	0%
excellent, good, only fair, or	DON'T KNOW/REFUSED....	9%
poor?		

IF "ONLY FAIR" OR "POOR," ASK: (n=11)

73. Why did you rate the value as (only fair/poor)?

SERVICES COULD IMPROVE, 54%; TAXES TOO HIGH, 46%.

Many cities in Minnesota have asked voters to approve a local sales tax increase to provide funding for capital improvements.

74. Would you support or oppose a local	STRONGLY SUPPORT.....	8%
sales tax increase in Minnetonka?	SUPPORT.....	54%
(WAIT FOR RESPONSE) Do you feel	OPPOSE.....	16%
strongly that way?	STRONGLY OPPOSE.....	7%
	DON'T KNOW/REFUSED....	16%

Changing topics....

I am going to read you a list of business assistance programs and services which the City of Minnetonka offers. For each one,

please tell me if you were aware the City offered it. Then for each one you are aware of, please tell me from what you have heard or seen, if you would rate the service or program as excellent, good, only fair, or poor. (ROTATE)

	NOT AWA	AWA EXC	AWA GOO	AWA FAI	DK/ POO	REF
75. Business support services?	36%	23%	35%	5%	0%	1%
76. Commuter services?	44%	12%	30%	13%	0%	1%
77. Loans and financing support?	35%	11%	38%	12%	0%	5%
78. Elevate Hennepin - free technical assistance to small businesses?	41%	7%	35%	10%	1%	7%
79. Thrive Minnetonka business newsletter?	26%	15%	43%	16%	1%	0%
80. Workforce development and finding employees?	39%	12%	33%	14%	0%	3%
81. Networking events with other business owners?	47%	6%	35%	9%	0%	3%
82. The City's MCCD "Open to Business" program offering technical and financial assistance?	52%	5%	27%	11%	0%	6%

I am going to read you a list of items which the City of Minnetonka could focus on. After I read each item, please tell me if the City should have a great focus, some focus, little focus or no focus at all on that item.

	GRT	SOM	LIT	NOF	DKR
83. Retaining and growing existing businesses?	33%	50%	8%	10%	0%
84. Recruiting new businesses?	23%	37%	24%	16%	0%
85. Low interest small business loans for business improvements?	30%	33%	23%	13%	2%
86. Investing in redevelopment?	35%	29%	20%	16%	1%
87. Building traffic infrastructure, such as roads, highways, and public transportation?	17%	27%	24%	32%	0%
88. Supporting the development of workforce or affordable housing?	15%	31%	29%	24%	2%
89. Improving communication with businesses?	14%	33%	33%	20%	1%
90. Assisting in efforts to attract qualified workers and talent?	22%	29%	26%	22%	1%
91. Assisting in efforts to better train existing workers?	26%	29%	22%	22%	1%
92. Expanding co-working or collaborative workspaces?	13%	27%	34%	24%	2%

93. Supporting sustainability implementation, such as improving energy efficiency, water conservation, and installation of electric vehicle charging stations? 9% 40% 33% 15% 2%

Turning to communications....

94. Overall, how informed do you feel about Minnetonka City government, services and activities - very informed, somewhat informed, not too informed, or not at all informed? VERY INFORMED.....23%  
SOMEWHAT INFORMED.....54%  
NOT TOO INFORMED.....21%  
NOT AT ALL INFORMED....2%  
DON'T KNOW/REFUSED.....0%

95. What is your primary source of information about Minnetonka City government, services and activities? DON'T KNOW/REFUSED.....1%  
"THRIVE" NEWSLETTER...36%  
EMAILS FROM CITY.....13%  
CITY WEBSITE.....29%  
CITY SOCIAL MEDIA.....7%  
LANDLORD/PROPERTY OWNER.....3%  
"MINNETONKA MEMO" NEWSLETTER.....9%  
WORD OF MOUTH.....3%

96. How would you prefer to receive this information from the City? DON'T KNOW/REFUSED.....0%  
"THRIVE" NEWSLETTER...35%  
EMAILS FROM CITY.....25%  
CITY WEBSITE.....24%  
CITY SOCIAL MEDIA.....4%  
LANDLORD/PROPERTY OWNER.....1%  
"MINNETONKA MEMO" NEWSLETTER.....10%  
WORD OF MOUTH.....2%

97. Have you visited the business section on the City website? YES.....51%  
NO.....49%  
DON'T KNOW/REFUSED.....0%

IF "YES," ASK: (n=205)

98. Do you think the website was very helpful, somewhat helpful, or not too helpful? VERY HELPFUL.....37%  
SOMEWHAT HELPFUL.....60%  
NOT TOO HELPFUL.....3%  
DON'T KNOW/REFUSED.....1%

Let's talk about your business location for a moment....

99. Does your business own the building in which you are located, or are you a tenant?	OWN.....51%
	TENANT.....44%
	DON'T KNOW.....5%
	REFUSED.....0%

100. Is your business home-based?	YES.....7%
	NO.....93%
	REFUSED.....0%

Within the next five years, does your business have plans to....

	YES	NO	DKR
101. Expand in Minnetonka?	3%	97%	0%

IF "YES," ASK: (n=10)

102. Is there anything the City of Minnetonka could do to help your business expansion? (IF "YES," ASK:) What would that be?

UNSURE, 50%; NO, 50%.

	YES	NO	DKR
103. Downsize in Minnetonka?	0%	99%	1%
104. Relocate in Minnetonka?	1%	99%	0%
105. Relocate outside of Minnetonka?	0%	97%	3%

IF "YES," ASK: (n=1)

106. Is there one major reason why you are planning to relocate outside of Minnetonka?

REFUSED, 100%.

Now, just a few more questions for demographic purposes....

107. Could you tell me your position or title in this company?

OWNER, 29%; MANAGER, 36%; SUPERVISOR, 11%; CFO/CEO, 10%; PRESIDENT, 2%; SCATTERED, 12%.

108. Do you live in the City of Minnetonka?	YES.....80%
	NO.....20%
	REFUSED.....0%

109. Have you heard of the Minneapolis Regional Chamber? NO.....81%  
(IF "YES," ASK:) Are you a member YES/YES.....5%  
of the Chamber? YES/NO.....11%  
DON'T KNOW/REFUSED.....3%

110. Have you heard of the Wayzata West Metro Chamber? NO.....75%  
(IF "YES," ASK:) Are you a member YES/YES.....6%  
of the Chamber? YES/NO.....16%  
DON'T KNOW/REFUSED.....3%

IF "YES/NO" IN EITHER #109 OR #110, ASK: (n=74)

111. Why are you not a member of the Chamber?

UNSURE, 19%; NOT INTERESTED, 50%; NOT AWARE OF BENEFITS, 11%; NO TIME, 4%; CORPORATE DECISION, 5%; HIGH COST, 5%; SCATTERED, 6%.

112. What is your age, please? 24 AND UNDER.....0%  
(READ CATEGORIES, IF NEEDED) 25-39.....43%  
40-64.....55%  
65 AND OVER.....2%  
REFUSED.....0%

113. Which of the following categories represents your race or ethnicity - American Indian or Alaskan Native, Asian, Black or African American, Latino or Latina or Latinx, Native Hawaiian or Other Pacific Islander, White, or is your race or ethnicity not listed?  
(IF "NOT LISTED," ASK:) What would that be?

AMERICAN INDIAN/ALASKAN NATIVE.....1%  
ASIAN.....8%  
BLACK/AFRICAN AMERICAN.....6%  
LATINO/LATINA/LATINX.....3%  
NATIVE HAWAIIAN/OTHER PACIFIC ISLANDER.....1%  
WHITE.....81%  
NOT LISTED.....0%  
DON'T KNOW/REFUSED.....1%

114. What is your gender identity? MALE.....53%  
FEMALE.....46%  
NON-BINARY.....1%  
REFUSED/NOT LISTED.....0%

**Economic Development Advisory Commission  
Agenda Item 5.B  
Meeting of March 20, 2025**



**Title:** Commercial Market Analysis

**Report from:** Kjerstin Yager, Economic Development Coordinator  
Brent Wittenberg, Marquette Advisors - presenter

**Submitted Through:** Julie Wischnack, FAICP, Community Development Director  
Alisha Gray, EDFP, Economic Development and Housing Manager

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**Action Requested:** Informational

**Form of Action:** Report

**Votes needed:** N/A

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**Recommended Action**

Informational

**Background**

See attached staff report and 2025 Commercial Market Analysis

**ATTACHMENTS:**

[Commercial Market Analysis staff report](#)

[2025 Commercial Market Analysis](#)

## Background

Commercial market analyses help cities and other development professionals understand the local real estate market conditions to determine whether they meet current and future demands. In 2018, the City of Minnetonka retained Marquette Advisors, a real estate consulting firm, to prepare a commercial real estate market conditions report. At that time, the city was reviewing a substantial number of proposals from developers. The report, which highlighted the local commercial supply and demand trends, assisted the city in making strategic choices about future development investments.

The 2018 study found that the city's industrial real estate supply and demand were in balance and doing well. At that time, the metro office demand was more substantial for downtown Minneapolis properties, and Marquette Advisors predicted that this would bring pressure on Minnetonka properties to update their spaces. Retail space was doing very well, but the national retail market was plateauing. The report predicted the closure of JCPenney and Sears (of which Sears closed).

## 2024 Commercial Real Estate Market Study

In 2024, the city again retained Marquette Advisors to provide an update to the commercial market study. During a time of flux for office real estate, the city can use this data strategically when planning business recruitment, future development projects, financial health, and more. This research provides an assessment of retail, office, and industrial real estate market conditions, including their historical supply and demand, vacancy rates, and rental rates in Minnetonka as compared to the west metro and the Twin Cities metro as a whole. Vacancy rates of approximately ten percent signify an equilibrium between the supply and demand of commercial properties. Marquette Advisors also evaluated employment statistics, industry changes, and consumer spending to forecast future demand and supply of real estate.

### *Industrial Real Estate*

Minnetonka has approximately 4.7 million square feet of rentable industrial space, with an 8.1% vacancy at the end of 2024. Many of these properties were built during the 1970s and 1980s and are more affordable due to their older age. Over the years, Minnetonka has seen some industrial companies leave the city for more modern properties with higher ceilings and better freeway access. Industrial vacancy across the Twin Cities metro remains very low. Online shopping requires more warehouse/distribution space than traditional retail needs, and post-pandemic, businesses have established multiple regional hubs to store and distribute their goods.

Minnetonka is not a prime candidate for future industrial development as a fully developed community, but many of the city's industrial areas should function very well over the long term. The report cautioned that retail redevelopment in the Opus area would be very challenging due to a lack of visibility and connectivity to a major thoroughfare. Encore Park and the Minnetonka Corporate Center could be redevelopment candidates.

### *Office Real Estate*

Minnetonka has approximately 8.0 million square feet of rentable office space, with a 16.5% vacancy at the end of 2024. Minnetonka is an attractive office market with good access to freeways, the future METRO Green Line Extension, strong demographics, quality schools, and a well-educated workforce. The office submarket makes up 11.4% of Minnetonka's tax capacity. Large property vacancies include former UnitedHealth Group occupancy at 9900 Bren Road and 12700 Whitewater Drive, which, together, total almost 40% of all Minnetonka office vacancies. These properties are high-quality, modern office buildings with high visibility and highway connectivity that Marquette Advisors predicts will operate as office or data center properties over the long term.

While brokers report that office vacancy has peaked in many Twin Cities submarkets, Marquette Advisors anticipates that Minnetonka's office vacancy will continue to rise in the coming months and remain elevated for some time as large office users Boston Scientific and The Opus Group plan to leave the city. Boston Scientific could be a redevelopment candidate as it is a less desirable office site due to its lesser visibility and connectivity. Small and mid-sized businesses are seeking office spaces within buildings and neighborhoods that have many amenities.

### *Retail Real Estate*

Minnetonka has approximately 3.2 million square feet of retail space, with an 8.2% vacancy at the end of 2024. The I-394 corridor accounts for about 60% of the city's retail base. Ridgedale Center, with 1.1 million square feet, has a 2.6% vacancy, which is low. Most of the city's other shopping centers are doing well. Westridge Market is the notable exception because of the former Dick's Sporting Goods and Bed, Bath, and Beyond vacancies. Overall, Minnetonka continues to have a strong retail market.

There are increasing signs of consumer stress nationally. However, there are strong local and west metro demographics, which reduces the impact of local consumer stress, which in turn affects Minnetonka's retail properties. Minnetonka has few suitable undeveloped sites available for new retail development. This means that retail space could only increase via new redevelopment, infill development, and street-level retail in mixed-use developments.

### Next Steps:

The results will be shared with the Minnetonka Business Council (Wayzata West Metro Chamber of Commerce), the Economic Development Advisory Commission, and the Minnetonka City Council. Feedback will be utilized to enhance programming in the Economic Improvement Program.

### Attachment:

- 2025 Commercial Market Analysis

## An Update on Commercial Real Estate Market Conditions Minnetonka, MN

February 2025

*Marquette Advisors File #24025*

PREPARED FOR:



Ms. Kjerstin Yager  
City of Minnetonka  
14600 Minnetonka Boulevard  
Minnetonka, MN 55345

PREPARED BY:



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February 27, 2025

Ms. Kjerstin Yager  
**City of Minnetonka**  
14600 Minnetonka Boulevard  
Minnetonka, MN 55345

**R.E.: An Update on Commercial Real Estate Market Conditions – Minnetonka, MN**

***Marquette Advisors File # 24025***

Dear Ms. Yager:

We are pleased to present our updated Commercial Real Estate Market Assessment for the City of Minnetonka, MN. The report is divided into three sections: Industrial, Office, and Retail. Each section provides an overview of current market conditions and the operating performance of properties within the city of Minnetonka. Historical vacancy rates, absorption details, rental rates, and recent construction trends are examined. Analytics are focused on the City of Minnetonka, drawing comparisons to the competitive submarket(s) and the Twin Cities Metro Area as a whole. The Appendix contains an inventory and key metrics for all multi-tenant industrial, office, and retail properties in the city of Minnetonka.

Thank you again for the opportunity to assist you in evaluating real estate market conditions in Minnetonka. We remain available to answer any questions you might have and look forward to working with you again soon.

Sincerely,

**MARQUETTE ADVISORS**

A handwritten signature in black ink, appearing to read 'Brent E. Wittenberg'.

Brent E. Wittenberg, CRE  
Sr. Vice President

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# **INTRODUCTION**

## **STUDY IMPETUS**

The City of Minnetonka ("City"), related to its ongoing planning and economic development initiatives, retained Marquette Advisors to provide an assessment of retail, office and industrial real estate market conditions in the community. This engagement comprises an update to a similar study completed by Marquette Advisors on behalf of the City in 2018. This report summarizes current industrial, office and retail real estate market conditions in Minnetonka within the context of the relevant submarket and Twin Cities metro area. Key metrics analyzed include supply & demand trends, vacancy rates, and rental rates for each property sector.

## LOCATION & CONTEXT

The City of Minnetonka is a second-ring suburb in the Minneapolis-St. Paul Metro Area, located west of Minneapolis. Minnetonka borders Plymouth to the north, St. Louis Park and Edina to the east, Eden Prairie to the south/southwest, and several small Lake Minnetonka-area communities to the west. Key transportation corridors include east/westerly freeways I-394, MN-7 and MN-62, along with I-494 as the primary north/south freeway route within the city. US-169 is another key north-south route, running along the eastern side of Minnetonka. These freeways provide Minnetonka with convenient connections to Minneapolis and other parts of the metro area. The under-construction SW "Green Line" LRT corridor will provide enhanced connectivity for both residents and workers in Minnetonka, with service expected to begin in 2027.

## Regional Context



For purposes of this analysis, we provide an overview of commercial real estate market conditions specific to the City of Minnetonka, drawing comparisons to the relevant metro-area submarkets and the Twin Cities Metro Area (7 counties) as a whole. Primary data sources include the MN Commercial Association of Realtors (MN-CAR) and Colliers International, along with other data sources as noted throughout the report.

## **SUMMARY OF FINDINGS**

### **Industrial**

- Minnetonka features approximately 4.7 million sf of rentable industrial space, with an 8.1% vacancy rate at year-end 2024. Most of the city's industrial inventory consists of office-showroom buildings, with many of these properties built during the 1970s and 1980s. The city's older buildings tend to be somewhat more affordable compared to parts of the metro area that have seen more industrial development activity in recent years. These locations tend to be on larger land tracts in farther-out suburban markets such as Shakopee to the south and Rogers and Dayton to the north. Over the years, Minnetonka has seen the exodus of some warehouse/distribution center users seeking modern properties with superior freeway access.
- Minnetonka is not a prime candidate for new industrial development. The city does not feature large tracts of land with immediate freeway access that might accommodate large-scale warehouse & distribution centers. That said, many of the City's industrial areas should function quite well over the long term – such as the Carlson Center, Cedar 73, and the Williston/Minnetonka Boulevard area.
- The Opus Park, Minnetonka's largest industrial/business park, continues to experience a transition, with the redevelopment of several former commercial properties to institutional/educational and residential uses. This trend is expected to continue. Land values for these alternate uses now surpass current industrial property values in some cases – hence, redevelopment is occurring. A primary example is the Minneapolis Mart property, which is expected to be redeveloped to incorporate upwards of 1,000 medium to high-density housing units along with a 4-acre public park space. We caution that retail development here and throughout Opus Park will be very challenging due to this area's one-way street network and lack of direct visibility and connectivity to major thoroughfares. We expect that the Minneapolis Mart project will account for the lion's share of redevelopment activity in Opus Park over the next 5-7+ years. Other parcels, such as the nearby Boston Scientific property with 16 acres, could become candidates for redevelopment over the longer term.
- Nearby Encore Park could be another potential area for redevelopment. This area

features proximity to downtown Hopkins, Shady Oak Lake, the under-construction SW-LRT line, and many residential areas. The vacant 250,000-sf office/warehouse property known as Minnetonka Corporate Center (5101 Shady Oak Rd) features nearly 16 acres and could be evaluated for redevelopment to an alternate use, depending on the objectives of the property owner (CSM) and the city's receptiveness to alternate uses. Medium and/or high-density housing alternatives could work well here.

## Office

- Minnetonka features approximately 8.0 million sf of rentable office space, with a 16.5% vacancy rate at year-end 2024. Total vacancy comprises just over 1.3 million sf – large property vacancies include the former UHG headquarters (344,000 sf), 344,000 sf), another former UHG building at 12700 Whitewater Drive (150,000 sf). Vacancy is expected to rise over the next several months with the anticipated exodus of large office users such as Boston Scientific (200,000 sf) and The Opus Group (132,000 sf).
- The Twin Cities office market continues to be impacted by corporate right-sizing and hybrid work models. This includes Minnetonka, which is also dealing with significant corporate relocations, with significant office users leaving behind large blocks of space. Thus, while brokers report that office vacancy has peaked in many Twin Cities submarkets, we expect office vacancy will in fact rise in the coming months and remain elevated in Minnetonka for some time.
- That said, Minnetonka is an attractive office market with good access to freeways & future SW-LRT, strong demographics, quality schools and a well-educated workforce. Meanwhile, the noted properties vacated by UHG at 9900 Bren and 12700 Whitewater are high-quality, modern office buildings with high visibility and convenient highway access. These buildings are very likely to operate over the long term as office properties and/or data centers. These large vacancies will either be re-leased to multiple tenants, or perhaps absorbed by a single corporate user, such as has been the case with the Stratasys taking more than 160,000 sf at 5995 Opus Parkway.
- The Boston Scientific office/flex property at 10700 Bren Rd W comprises 200,000 sf of building area on 16 acres. This is a somewhat less desirable office site due to its location in the center of the Opus Park, with inferior freeway exposure and accessibility using the Park's one-way street network. Thus this property is a stronger candidate for redevelopment to an alternate use or multiple uses. A variety of scenarios could be considered as alternates to re-leasing the property as-is. Perhaps a portion of the property could remain in an office and/or data center use, while the remainder transitions to medium to high-density housing. However, with the Minneapolis Mart property just to the south planned for redevelopment and more than 1,000 housing units in the short term, a comprehensive redevelopment of the Boston Sci property could become more

viable over the longer-term, perhaps five or more years out.

- Twin Cities office brokers have been noting a “flight to quality” with small to mid-sized businesses seeking office spaces within buildings and neighborhood environments that are highly amenitized and, thus appealing to their employees. Brokers note strong demand for turn-key “spec” suites with 4,000 to 10,000 square feet. While many tenants prefer flexibility and shorter lease terms, landlords are seeking longer terms in addition to a strong rental rate in order to justify the required space improvements. Because of this, there is still a relatively short supply of these spec suites within the market. Owners of large office assets in Minnetonka are faced with this situation as they consider how much to invest in an effort to back-fill large recently vacated spaces.
- The structuring of office leases is also changing in the current market environment. As lease negotiations proceed, prospective tenants are more likely to agree to longer lease terms (preferred by landlords) if that comes with flexibility, the ability to contract or expand, and termination rights (even with a substantial penalty). In the current market and going forward, we expect more office leases will incorporate these termination clauses. From a tenant’s perspective, terminating a lease, paying the associated fee and downsizing by 50% can be more cost effective than restructuring an existing lease for more space than they need.

## **Retail**

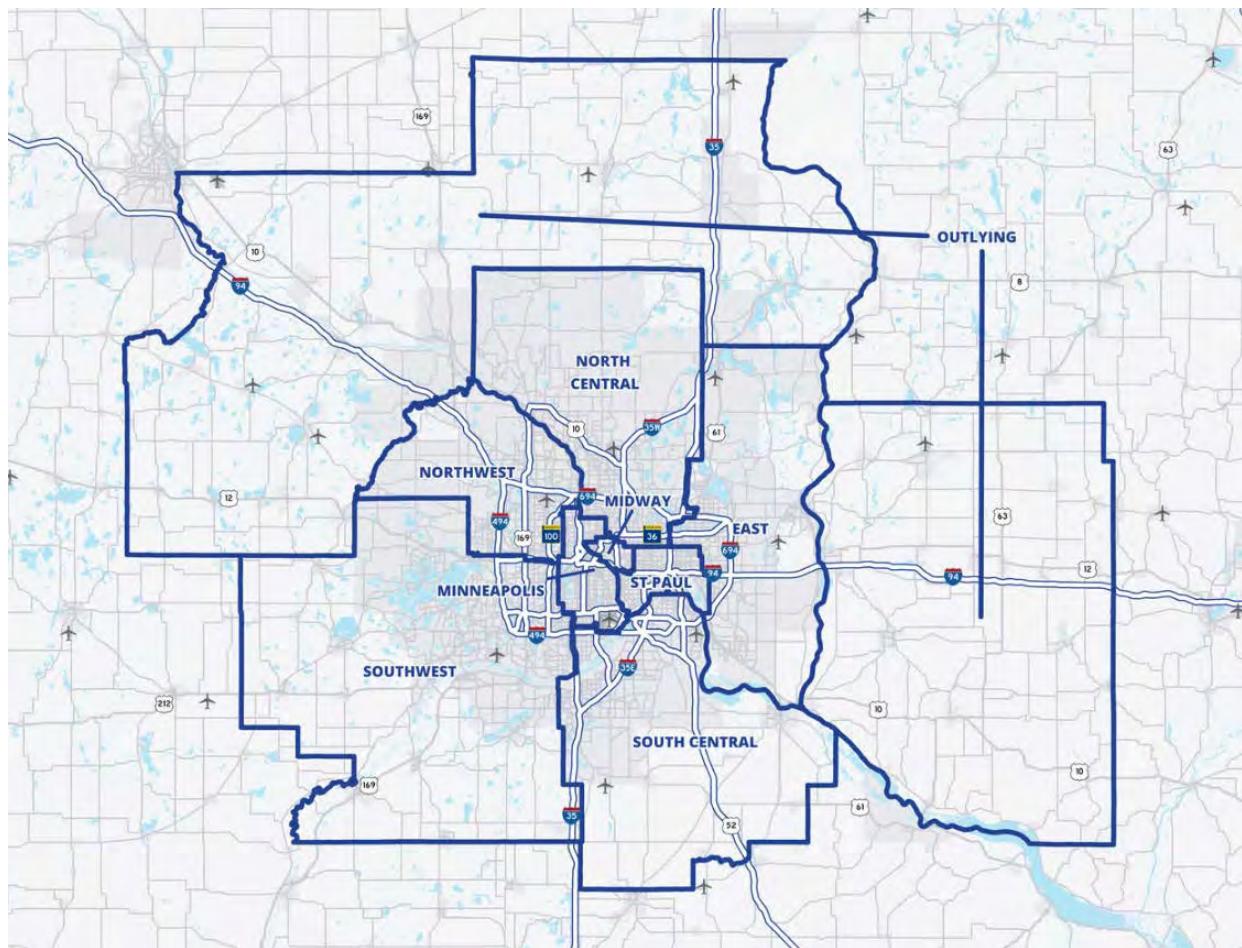
- Minnetonka features approximately 3.2 million sf of rentable retail space, with a reported 8.2% vacancy rate at year-end 2024. Nearly 2/3 of the city’s retail space is situated along the I-394 corridor, including the 1.1 million sf Ridgedale Center.
- Minnetonka has an overall strong retail market despite some large and challenging individual property vacancies. Ridgedale Center is the primary regional mall serving the west metro area. The property maintains a high occupancy level and has made considerable investment over time. Most of the city’s neighborhood and community shopping centers are also performing well -- the most notable exception is the Westridge Market, which has two large vacancies totaling 135,000 sf following the loss of anchor tenants Dick’s Sporting Goods and Bed, Bath & Beyond.
- There are very few, if any suitable undeveloped sites available for new retail development in the city. Minnetonka’s retail space will increase by way of redevelopment, infill development (e.g. retail infill in under-utilized parking lots or created pad sites adjoining existing retail), and with the addition of street-level retail in mixed use developments along with multifamily housing. The area around Ridgedale is the prime example, having seen all of the above as this area is an increasingly dynamic shopping-entertainment-and residential district.

- As most of Minnetonka's shopping centers are performing well, we do not anticipate redevelopment in the short-term. While smaller centers such as Cedar Hills and Ridgewood currently have some challenging vacancies where re-leasing could require an extended period, we do not anticipate a land use change. However, it's important to note that we do not have knowledge of ownership objectives or existing debt in either circumstance, which could obviously impact the approach here and with other properties throughout the city.
- While there are signs of increasing consumer stress throughout the U.S. (such as rising credit card and consumer loan default rates and declining consumer sentiment with persistent concerns about inflation), Minnetonka is somewhat more resilient based on strong local and west metro demographics. Further, while retail sales could very well be negatively impacted in the short term as consumers tighten their belts, it will take more time for these trends to impact retail property markets, and Minnetonka is currently in a strong position as most shopping centers currently report very low vacancy rates.

# **INDUSTRIAL REAL ESTATE MARKET CONDITIONS**

## INDUSTRIAL MARKET CONDITIONS

In this section we present a summary of industrial real estate market conditions, including inventory, supply & demand (absorption) trends, vacancy rates, rental rates, and a discussion of potential change in use & redevelopment opportunities. Below is the Colliers-defined industrial submarket map. Minnetonka lies within the Southwest submarket of the Twin Cities metro area. We begin with a brief overview of market conditions for the metro area and its various submarkets, followed by a discussion of industrial real estate in Minnetonka, specifically.



## Twin Cities Industrial Market Trends

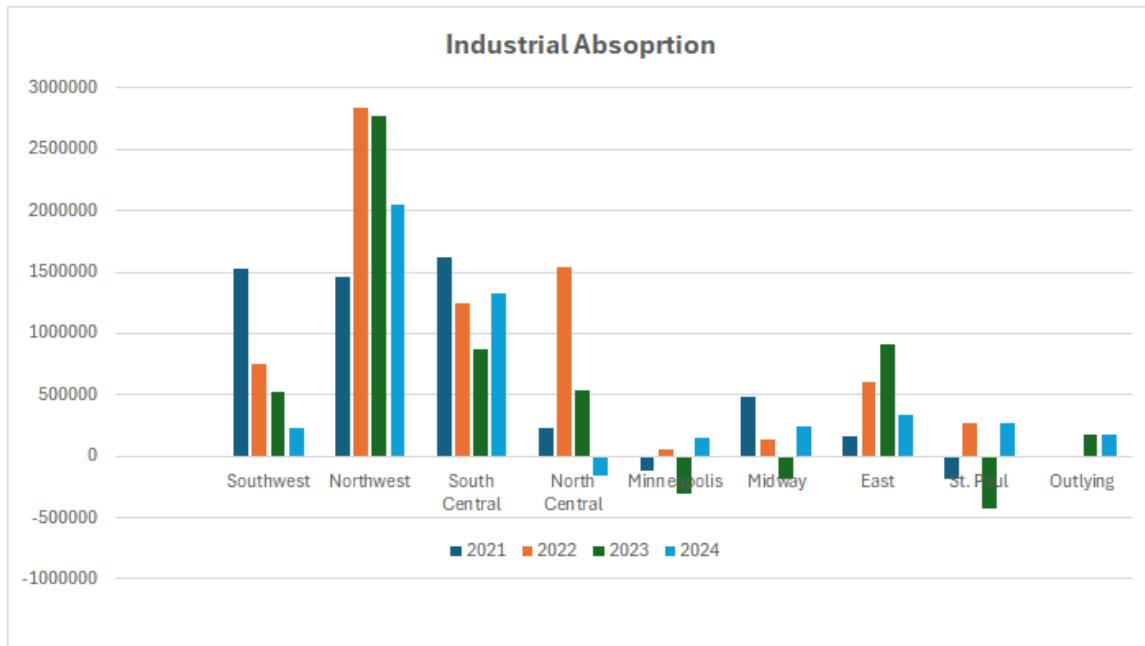
The Twin Cities industrial market comprises 1,640 buildings and approximately **398 million square feet (sf) of rentable industrial space**. This includes multi-tenant, for-lease properties that are larger than 20,000 sf. It does not include single-tenant buildings, owner-occupied properties, government buildings, or small multi-tenant industrial buildings with <20,000 square feet. Colliers and the MN Commercial Association of Realtors (MN-CAR) are the primary data sources. The following are key points from our analysis of this property group.

Industrial Market Conditions By Sub-Market 2021-2024 (year end)

Source: Colliers, Multi-tenant properties over 20,000 sq. ft.

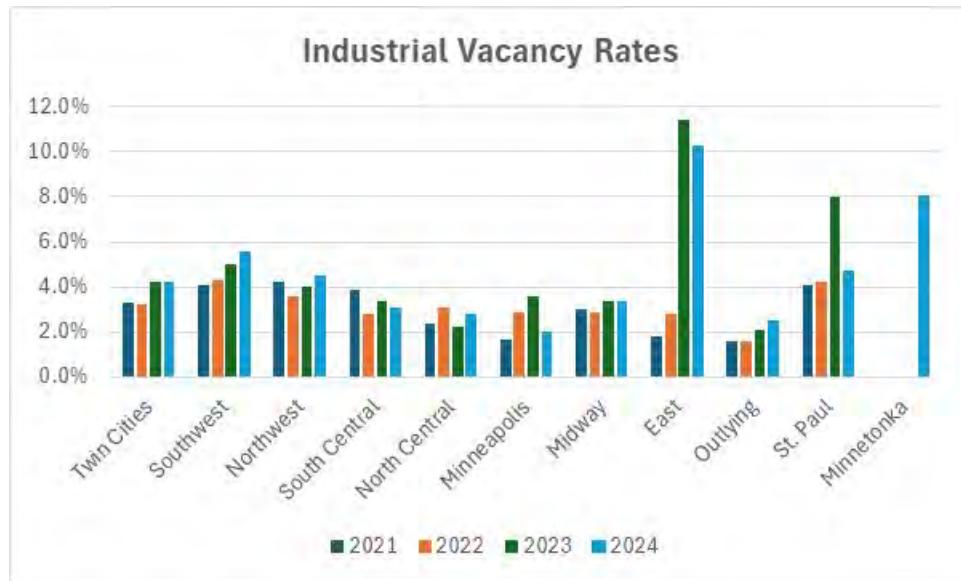
	2021												2022				2023				2024			
	Inventory	Vacancy	% Vacant	Absorption	Inventory	Vacancy	% Vacant	Absorption	Inventory	Vacancy	% Vacant	Absorption	Inventory	Vacancy	% Vacant	Absorption	Inventory	Vacancy	% Vacant	Absorption				
<b>Southwest</b>																								
Office-Showroom	20,747,932	1,275,998	6.2%	60,428	20,479,843	1,638,387	8.0%	106,681	20,237,701	1,619,016	8.0%	42,381	17,528,525	1,191,940	6.8%	117,957								
Manufacturing	23,221,047	501,575	2.2%	374,211	23,918,798	167,432	0.7%	(11,658)	24,022,798	528,502	2.2%	(167,775)	33,551,371	805,233	2.4%	(128,945)								
Warehouse-Distribution	30,959,281	1,291,002	4.2%	1,094,947	32,438,974	1,492,193	4.6%	662,149	33,126,110	1,689,432	5.1%	646,769	26,671,281	2,400,415	9.0%	238,640								
<b>Total Industrial</b>	<b>74,928,260</b>	<b>3,068,574</b>	<b>4.1%</b>	<b>1,529,586</b>	<b>76,837,615</b>	<b>3,298,012</b>	<b>4.3%</b>	<b>757,172</b>	<b>77,386,609</b>	<b>3,836,949</b>	<b>5.0%</b>	<b>521,375</b>	<b>77,751,177</b>	<b>4,397,588</b>	<b>5.6%</b>	<b>227,652</b>								
<b>Northwest</b>																								
Office-Showroom	10,968,545	438,742	4.0%	517,089	10,989,049	230,770	2.1%	211,995	11,044,230	386,548	3.5%	(85,923)	11,191,354	335,741	3.0%	(29,244)								
Manufacturing	28,459,987	532,202	1.9%	161,976	28,501,151	570,023	2.0%	82,017	28,428,839	312,717	1.1%	323,892	31,137,753	778,444	2.5%	(66,356)								
Warehouse-Distribution	32,696,359	2,112,185	6.5%	776,911	35,368,761	1,874,544	5.3%	2,540,926	38,475,112	2,385,457	6.2%	2,535,331	38,098,239	2,476,386	6.5%	2,143,968								
<b>Total Industrial</b>	<b>72,124,891</b>	<b>3,083,128</b>	<b>4.3%</b>	<b>1,455,976</b>	<b>74,858,961</b>	<b>2,675,337</b>	<b>3.6%</b>	<b>2,834,938</b>	<b>77,948,181</b>	<b>3,084,722</b>	<b>4.0%</b>	<b>2,773,300</b>	<b>80,427,346</b>	<b>3,590,570</b>	<b>4.5%</b>	<b>2,048,368</b>								
<b>South Central</b>																								
Office-Showroom	12,473,141	699,743	5.6%	127,458	12,283,088	761,551	6.2%	(47,702)	12,583,088	805,318	6.4%	78,584	10,596,072	550,996	5.2%	266,985								
Manufacturing	12,899,130	301,840	2.3%	(108,917)	13,025,674	117,231	0.9%	239,270	13,086,724	104,694	0.8%	54,112	21,540,838	323,113	1.5%	(4,965)								
Warehouse-Distribution	30,115,417	1,135,351	3.8%	1,603,088	30,746,182	707,162	2.3%	1,055,221	31,898,090	1,020,739	3.2%	735,116	26,600,592	931,021	3.5%	1,065,073								
<b>Total Industrial</b>	<b>55,487,688</b>	<b>2,136,934</b>	<b>3.9%</b>	<b>1,621,629</b>	<b>56,054,944</b>	<b>1,585,945</b>	<b>2.8%</b>	<b>1,246,789</b>	<b>57,567,902</b>	<b>1,930,750</b>	<b>3.4%</b>	<b>867,812</b>	<b>58,737,502</b>	<b>1,805,129</b>	<b>3.1%</b>	<b>1,327,093</b>								
<b>North Central</b>																								
Office-Showroom	11,061,769	695,785	6.3%	(104,749)	11,078,175	764,394	6.9%	90,266	10,697,740	438,607	4.1%	72,018	12,953,904	323,848	2.5%	(92,108)								
Manufacturing	25,685,327	457,199	1.8%	36,203	26,142,344	209,139	0.8%	473,628	26,049,120	130,246	0.5%	64,695	27,216,666	734,850	2.7%	(368,898)								
Warehouse-Distribution	25,761,523	602,820	2.3%	301,867	26,888,065	1,021,746	3.8%	977,765	27,102,774	867,289	3.2%	404,398	23,928,585	741,786	3.1%	299,973								
<b>Total Industrial</b>	<b>62,508,619</b>	<b>1,755,804</b>	<b>2.8%</b>	<b>233,321</b>	<b>64,108,584</b>	<b>1,995,279</b>	<b>3.1%</b>	<b>1,541,659</b>	<b>63,849,634</b>	<b>1,436,142</b>	<b>2.2%</b>	<b>541,111</b>	<b>64,099,155</b>	<b>1,800,484</b>	<b>2.8%</b>	<b>(161,033)</b>								
<b>Minneapolis</b>																								
Office-Showroom	2,480,731	47,878	1.9%	45,249	2,480,731	34,730	1.40%	13,646	2,480,731	27,288	1.1%	(13,105)	5,619,819	258,512	4.6%	(21,795)								
Manufacturing	8,419,917	138,087	1.6%	(149,209)	8,435,086	337,403	4.00%	(98,925)	8,288,728	522,190	6.3%	(243,614)	8,140,434	122,107	1.5%	127,662								
Warehouse-Distribution	10,394,492	167,351	1.6%	(12,762)	10,168,491	233,875	2.30%	136,914	10,253,861	205,077	2.0%	(51,829)	6,425,266	12,851	0.2%	47,755								
<b>Total Industrial</b>	<b>21,295,140</b>	<b>353,316</b>	<b>1.7%</b>	<b>(116,722)</b>	<b>21,084,308</b>	<b>606,009</b>	<b>2.90%</b>	<b>51,635</b>	<b>21,023,320</b>	<b>754,555</b>	<b>3.6%</b>	<b>(308,548)</b>	<b>20,185,519</b>	<b>393,469</b>	<b>2.0%</b>	<b>153,622</b>								
<b>Midway</b>																								
Office-Showroom	5,868,371	157,272	2.7%	63,303	5,821,444	209,572	3.6%	(39,875)	5,234,100	209,364	4.0%	(81,483)	4,660,305	111,847	2.4%	157,655								
Manufacturing	5,436,803	187,570	3.5%	82,524	5,241,830	131,046	2.5%	68,059	5,172,082	206,883	4.0%	(54,214)	10,076,745	523,991	5.2%	(154,391)								
Warehouse-Distribution	14,479,040	425,684	2.9%	342,874	13,923,370	375,931	2.7%	110,560	13,678,453	396,675	2.9%	(53,861)	9,362,732	177,892	1.9%	233,996								
<b>Total Industrial</b>	<b>25,784,214</b>	<b>770,526</b>	<b>3.0%</b>	<b>488,701</b>	<b>24,986,644</b>	<b>716,549</b>	<b>2.9%</b>	<b>138,744</b>	<b>24,084,635</b>	<b>812,922</b>	<b>3.4%</b>	<b>(189,558)</b>	<b>24,099,782</b>	<b>813,730</b>	<b>3.4%</b>	<b>237,260</b>								
<b>East</b>																								
Office-Showroom	7,551,185	260,516	3.5%	172,817	7,432,198	371,610	5.0%	(60,820)	7,432,198	319,585	4.3%	4,976	5,095,769	254,788	5.0%	34,622								
Manufacturing	5,921,922	0	0.0%	0	6,095,594	79,243	1.3%	61,775	6,147,894	116,810	1.9%	(14,100)	9,521,120	257,070	2.7%	(135,909)								
Warehouse-Distribution	6,743,126	111,262	1.7%	(11,220)	7,791,778	148,044	1.9%	603,874	10,728,844	2,338,888	21.8%	916,051	9,861,647	2,100,531	21.3%	432,802								
<b>Total Industrial</b>	<b>20,216,233</b>	<b>371,777</b>	<b>1.8%</b>	<b>161,597</b>	<b>21,319,570</b>	<b>598,896</b>	<b>2.8%</b>	<b>604,829</b>	<b>24,308,936</b>	<b>2,775,282</b>	<b>11.4%</b>	<b>906,927</b>	<b>24,478,536</b>	<b>2,612,390</b>	<b>10.3%</b>	<b>331,515</b>								
<b>St. Paul</b>																								
Office-Showroom	2,910,269	36,087	1.2%	114,775	2,967,779	47,484	1.6%	85,737	2,967,779	32,646	1.1%	17,137	2,498,318	134,909	5.4%	(46,068)								
Manufacturing	4,128,459	0	0.0%	114,257	4,273,789	42,738	1.0%	(29,554)	4,325,081	605,511	14.0%	(511,739)	5,689,573	125,171	2.2%	(69,609)								
Warehouse-Distribution	5,795,319	486,807	8.4%	(417,731)	5,442,688	440,858	8.1%	211,889	5,358,094	369,708	6.9%	71,653	4,508,122	342,617	7.6%	390,372								
<b>Total Industrial</b>	<b>12,834,047</b>	<b>522,894</b>	<b>4.1%</b>	<b>(188,699)</b>	<b>12,684,256</b>	<b>531,080</b>	<b>4.2%</b>	<b>268,072</b>	<b>12,650,954</b>	<b>1,007,865</b>	<b>8.0%</b>	<b>(422,949)</b>	<b>12,696,013</b>	<b>602,697</b>	<b>4.7%</b>	<b>274,695</b>								
<b>Outlying</b>																								
Office-Showroom	1,529,712	16,827	1.1%	8,557	1,529,712	16,827	1.1%	8,557	1,529,712	0	0.0%	16,159	5,394,297	97,097	1.8%	(47,755)								
Manufacturing	14,212,578	85,275	0.6%	(15,903)	14,212,578	85,275	0.6%	(15,903)	14,230,817	14,231	0.1%	88,687	14,931,768	89,591	0.6%	68,220								
Warehouse-Distribution	18,926,145	454,227	2.4%	(9,421)	18,926,145	454,227	2.4%	(9,421)	19,564,077	723,871	3.7%	66,258	15,235,938	700,853	4.6%	154,293								
<b>Total Industrial</b>	<b>34,668,435</b>	<b>556,330</b>	<b>1.6%</b>	<b>(16,767)</b>	<b>34,668,435</b>	<b>556,330</b>	<b>1.6%</b>	<b>(16,767)</b>	<b>35,324,606</b>	<b>738,102</b>	<b>2.1%</b>	<b>171,104</b>	<b>35,562,003</b>	<b>887,541</b>	<b>2.5%</b>	<b>174,758</b>								
<b>Twin Cities Metro Area</b>																								
Office-Showroom	75,557,275	3,626,749	4.8%	1,009,778	75,062,019	4,053,349	5.4%	368,485	74,207,279	3,858,779	5.2%	50,744	75,729,418,60	3,256,365	4.3%	(95,938)								
Manufacturing	128,318,431	2,142,918	1.7%	514,544	129,846,844	1,688,009	1.3%	768,709	129,752,083	2,465,290	1.9%	(460,056)	162,837,260,87	3,745,257	2.3%	(133,919)								
Warehouse-Distribution	175,675,037	6,675,651	3.8%	3,891,132	181,694,454	6,722,695	3.7%	6,289,877	190,185,415	10,079,827	5.3%	5,269,886	159,435,725,81	9,885,015	6.2%	1,834,588								
<b>Total Industrial</b>	<b>379,550,743</b>	<b>12,445,318</b>	<b>3.3%</b>	<b>5,415,454</b>	<b>386,603,317</b>	<b>12,464,053</b>	<b>3.2%</b>	<b>7,427,071</b>	<b>394,144,777</b>	<b>16,403,895</b>	<b>4.2%</b>	<b>4,860,574</b>	<b>398,002,405</b>	<b>16,886,637</b>	<b>4.2%</b>	<b>1,604,731</b>								

- **Property types** -- Industrial real estate is generally classified into three property types:
  1. Manufacturing
  2. Office-Showroom (also sometimes referred to as Office-Warehouse) – these buildings typically incorporate a front office/headquarters component along with a larger open space that is used for storage of product and/or as a showroom space.
  3. Warehouse-Distribution – these buildings tend to be quite large featuring a high-ceiling height and multiple docks and/or drive-in doors which facilitate truck access. Warehouse-distribution facilities typically feature a convenient nearby connection to freeways. This property type accounts for the majority of the recent surge in industrial construction activity in the Twin Cities market.
- **Slow-down in new construction activity** – The Twin Cities market experienced a surge in industrial warehouse construction over the past three years. However, the 5.4 million sf of new space opening in 2024 represented a 38% decline from 2023. With higher construction costs and interest rates, the pace of development has slowed significantly, with only 1.1 million square feet currently under construction in the Twin Cities metro area.
- Most of the region's new supply has been build-to-suit and pre-leased space, with much less speculative development activity. Development of new buildings has been focused primarily in outlying suburbs, especially to the north and northwest. The Southwest metro area accounted for just over 764,000 sf of new space in 2024, or about 14% of new supply across the region. Shakopee accounts for the lion's share of new development activity within the Southwest metro area.
- **Strong demand trend** – Approximately 4.6 million sf of industrial space was absorbed throughout the metro area in 2024, including 227,000 sf in the southwest metro. Warehouse & distribution buildings accounted for all of the region's net absorption for the year, while we've seen a net decline in demand for manufacturing space. Demand has tracked in excess of 1.0 million sf per quarter consistently over the past 4+ years. The recent increase in the demand for warehouse-distribution space is driven by the following primary factors:
  - Growth in E-commerce, with sales now in excess of \$1 trillion nationally – online shopping requires more warehouse/distribution space than traditional retail.
  - Supply chain challenges – following supply-chain disruption during the pandemic, businesses have worked to establish multiple regional hubs to store and distributed their goods across U.S. metro areas and beyond.



Net Absorption of Industrial Space (Sq Ft) by Submarket -- 2021-2024				
Submarket	2021	2022	2023	2024
Southwest	1,529,586	757,172	521,375	227,652
Northwest	1,455,976	2,834,938	2,773,300	2,048,368
South Central	1,621,629	1,246,789	867,812	1,327,093
North Central	233,321	1,541,659	541,111	-161,033
Minneapolis	(116,722)	51,635	(308,548)	153,622
Midway	488,701	138,744	(189,558)	238,260
East	161,597	604,829	906,927	331,515
St. Paul	(188,699)	268,072	(422,949)	274,695
Outlying	(16,767)	(16,767)	171,104	174,758
Twin Cities Metro Area	5,415,454	7,427,071	4,860,574	4,613,930

- **Vacancy** – Industrial vacancy across the Twin Cities metro area remains quite low. The 2024 Q4 report from Colliers shows that vacancy increased only slightly during the past three years during the wave of new construction, peaking at 4.5% earlier this year before retreating. The 2024 year-end vacancy rate was reported at just 4.2%, considerably lower than the 6.6% national vacancy rate for industrial properties. Not surprising, given that all of the new construction activity has been in this product class, vacancy among warehouse/distribution centers was slightly higher at 6.2%, but also trending down according to the 2024 Q4 survey. Across the various submarkets, vacancy rates ranged from a low of 2.0% in Minneapolis to a high of 10.7% in the East. Vacancy in the city of Minnetonka was reported at 5.7% for 2024 Q4, similar to the 5.6% vacancy rate for the Southwest metro area.



Industrial Vacancy Rates by Submarket -- 2021-2024				
Submarket	2021	2022	2023	2024
Southwest	4.1%	4.3%	5.0%	5.6%
Northwest	4.2%	3.6%	4.0%	4.5%
South Central	3.9%	2.8%	3.4%	3.1%
North Central	2.4%	3.1%	2.2%	2.8%
Minneapolis	1.7%	2.9%	3.6%	2.0%
Midway	3.0%	2.9%	3.4%	3.4%
East	1.8%	2.8%	11.4%	10.3%
Outlying	1.6%	1.6%	2.1%	2.5%
St. Paul	4.1%	4.2%	8.0%	4.7%
Twin Cities Metro Area	3.3%	3.2%	4.2%	4.2%

- **Tightening in the market leads to rising rents for industrial space** – With demand exceeding supply across most Twin Cities submarkets, landlords have become much more aggressive with rental rates. The average rent for industrial space in 2024 Q4 was \$8.31 per square foot (psf), which was 8.8% higher than one year ago. In the Southwest submarket, the average rent was \$8.36, up +9.9% for the year and +27.6% over three years.
- The following table shows industrial rents by type of space and by submarket. For 2024 Q4, NNN rates averaged \$9.35 psf for metro area office-showroom space, \$8.53 for manufacturing space and \$7.76 psf for warehouse/distribution space. All property categories have seen fairly robust rent increases over 3 yrs. In the Southwest submarket, which includes Minnetonka, office-showroom rents averaged \$10.18, compared to \$7.90 and \$7.66 for manufacturing and warehouse-distribution space, respectively.

Industrial Rental Rate Trends, 2021-2024 (year-end)					
Source: Colliers, Multi-tenant properties over 20,000 sq. ft.					
Submarket	Q4 2021	Q4 2022	Q4 2023	Q4 2024	3 Year Rent Growth (2021-2024)
<b>Southwest Market</b>					
Office-Show room	\$9.80	\$9.41	\$8.31	\$10.18	3.9%
Manufacturing	\$5.22	\$7.57	\$6.50	\$7.90	51.3%
Warehouse-Distribution	\$5.37	\$7.14	\$7.23	\$7.66	42.6%
<b>Overall Average</b>	<b>\$6.55</b>	<b>\$7.93</b>	<b>\$7.61</b>	<b>\$8.36</b>	<b>27.6%</b>
<b>East Market</b>					
Office-Show room	\$10.50	\$11.25	\$11.88	\$11.68	11.2%
Manufacturing	\$0.00	\$7.67	\$6.00	\$8.23	#DIV/0!
Warehouse-Distribution	\$5.37	\$7.09	\$7.43	\$7.61	41.7%
<b>Overall Average</b>	<b>\$5.71</b>	<b>\$8.95</b>	<b>\$8.44</b>	<b>\$8.13</b>	<b>42.4%</b>
<b>North Central Market</b>					
Office-Show room	\$7.24	\$9.11	\$10.25	\$8.00	10.5%
Manufacturing	\$5.47	\$6.88	\$8.49	\$8.78	60.5%
Warehouse-Distribution	\$5.76	\$7.28	\$7.61	\$7.58	31.6%
<b>Overall Average</b>	<b>\$5.90</b>	<b>\$7.45</b>	<b>\$7.99</b>	<b>\$8.10</b>	<b>37.3%</b>
<b>Northwest</b>					
Office-Show room	\$7.44	\$9.57	\$8.22	\$9.94	33.6%
Manufacturing	\$5.09	\$6.93	\$7.29	\$9.12	79.2%
Warehouse-Distribution	\$5.45	\$7.03	\$7.56	\$7.92	45.3%
<b>Overall Average</b>	<b>\$5.61</b>	<b>\$7.43</b>	<b>\$7.72</b>	<b>\$8.39</b>	<b>49.6%</b>
<b>South Central</b>					
Office-Show room	\$9.01	\$9.63	\$9.39	\$9.34	3.7%
Manufacturing	\$6.06	\$7.47	\$5.50	\$8.56	41.3%
Warehouse-Distribution	\$5.95	\$7.44	\$7.01	\$7.71	29.6%
<b>Overall Average</b>	<b>\$6.66</b>	<b>\$8.10</b>	<b>\$7.64</b>	<b>\$8.32</b>	<b>24.9%</b>
<b>Midway</b>					
Office-Show room	\$9.44	\$12.02	\$8.92	\$8.90	(5.7%)
Manufacturing	\$9.24	\$7.68	-	\$8.79	(4.9%)
Warehouse-Distribution	\$6.08	\$7.11	\$7.58	\$7.57	24.5%
<b>Overall Average</b>	<b>\$7.51</b>	<b>\$7.73</b>	<b>\$8.03</b>	<b>\$8.58</b>	<b>14.2%</b>
<b>Minneapolis</b>					
Office-Show room	\$13.51	\$12.02	\$11.83	\$8.77	(35.1%)
Manufacturing	\$6.47	\$7.68	\$8.40	\$9.31	43.9%
Warehouse-Distribution	\$6.67	\$7.11	\$7.46	\$9.45	41.7%
<b>Overall Average</b>	<b>\$7.39</b>	<b>\$7.73</b>	<b>\$8.51</b>	<b>\$9.05</b>	<b>22.5%</b>
<b>St. Paul</b>					
Office-Show room	\$10.45	\$10.41	-	\$7.82	(25.2%)
Manufacturing	\$6.62	\$7.85	-	\$10.32	55.9%
Warehouse-Distribution	\$5.37	\$7.37	-	\$8.87	65.2%
<b>Overall Average</b>	<b>\$6.92</b>	<b>\$8.33</b>	-	<b>\$9.36</b>	<b>35.3%</b>
<b>Outlying</b>					
Office-Show room	\$10.91	\$9.22	-	<b>\$9.58</b>	(12.2%)
Manufacturing	\$5.27	\$6.73	-	<b>\$7.15</b>	35.7%
Warehouse-Distribution	\$6.34	\$7.13	-	<b>\$7.96</b>	25.6%
<b>Overall Average</b>	<b>\$6.10</b>	<b>\$7.13</b>	-	<b>\$7.92</b>	<b>29.8%</b>
<b>Twin Cities Market Total</b>					
Office-Show room	\$9.16	\$9.07	\$8.42	\$9.35	2.1%
Manufacturing	\$5.39	\$7.40	\$8.32	\$8.53	58.3%
Warehouse-Distribution	\$5.78	\$7.08	\$7.49	\$7.76	34.3%
<b>Overall Average</b>	<b>\$6.32</b>	<b>\$7.80</b>	<b>\$7.64</b>	<b>\$8.31</b>	<b>31.5%</b>

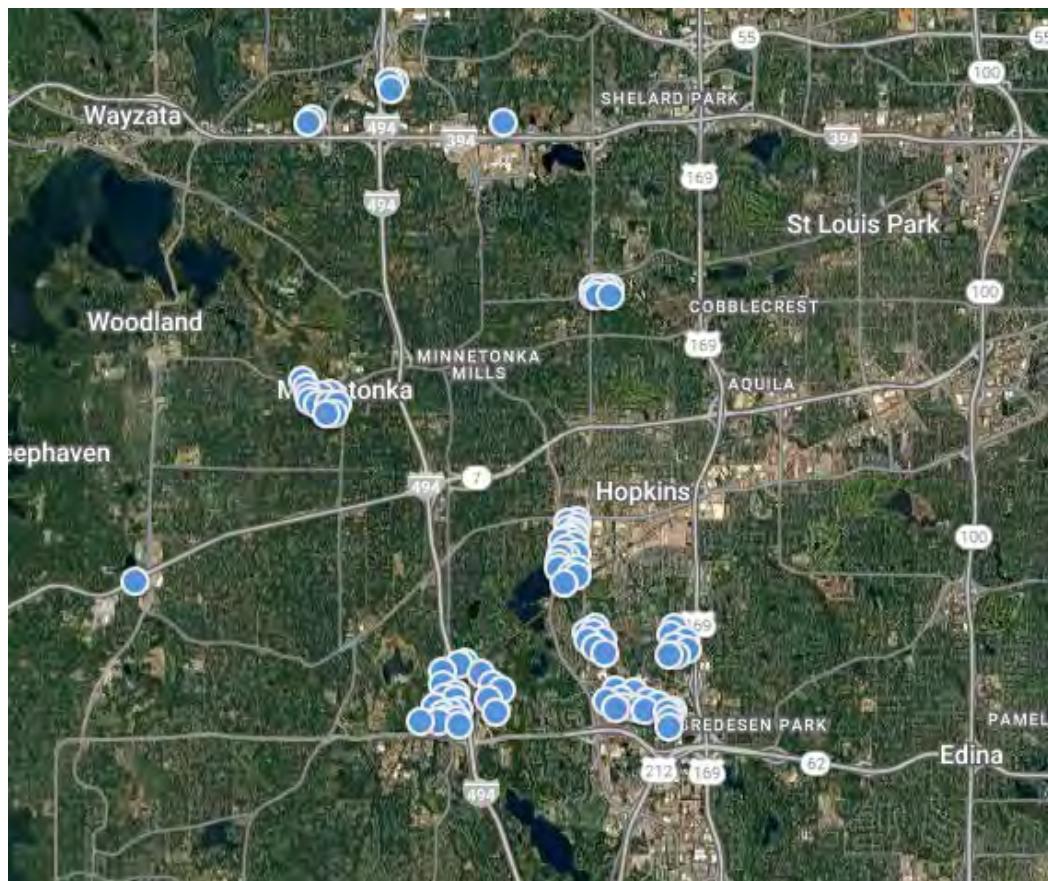
Note: All rates & operating expenses summarized here are based on advertised rents for available spaces.

### Minnetonka Industrial Market

While Minnetonka has a well-established retail and office base, it is not particularly well known for its industrial space. Many businesses that occupy industrial real estate, particularly warehouse users, have shown a preference for newer buildings with higher ceilings and better freeway access. To the north, markets like Plymouth, Brooklyn Park, and Rogers have several larger and newer industrial properties. To the south, Eden Prairie is known for its Golden Triangle area. In contrast, Shakopee has seen several large warehouse-distribution facilities constructed over the past ten years. Minnetonka falls somewhere in the middle, with smaller pockets mostly comprised of office-showroom-type industrial buildings.

In total, the city of Minnetonka has about 4.7 million sf of industrial space in 96 properties, accounting for less than 2% of the metro area market. The aerial below shows the location of Minnetonka's industrial buildings. Most of the city's industrial inventory consists of office-showroom buildings, with many of these properties built during the 1970s and 1980s. Minnetonka's most recently constructed office-showroom buildings were part of the Carlson Business Center, built in 1996 near the northeast quadrant of I-394 and I-494.

#### **Minnetonka Industrial Buildings**



The map on the following page provides an overview of the city's seven primary industrial areas. In addition to these areas, there are several single-tenant and/or owner-occupied buildings scattered along both MN-Hwy 7 and Excelsior Blvd., although most of those are smaller buildings with less than 20,000 sf.

### **Carlson Business Center**

- Built in 1996
- Owned by Blackstone Real Estate Income Trust. Managed by Colliers. Well maintained. Approximately 11 office-warehouse buildings are located in Plymouth and Minnetonka. Includes 3 Minnetonka buildings totaling 237,000 square feet.
- 0% vacancy in Minnetonka buildings. (3% vacancy overall, including Plymouth).
- Tenants include Advanced Records Management, Emser Tile, Dakota Supply Group, and Olympic Steel, among others.

### **Hedberg Industrial Area**

- Built in 1977-1988
- Ackerberg ownership, Colliers managed, well-maintained.
- Seven office warehouse buildings located near Hopkins Crossroads & Minnetonka Blvd totaling 182,000 square feet.
- 4.1% vacant; 7,500 sf available
- Tenants include Wallace Printing, Packaging Solutions, C-Pak Decorating
- Several self-storage buildings are also located nearby.

### **Minnetonka Boulevard & Williston Road**

- Built 1969-1987
- 12 light industrial and office warehouse buildings totaling 700,000 square feet.
- 38.7% vacant; 12,400 sf available.
- Tenants include St Jude Medical, Lurton Mfg., Fusion Pet Retreat, Creo Arts & Dance Conservatory, Water Street Retail, Gobros.com, and Stats International.

### **Encore Park – Shady Oak Road & K-Tel Drive**

- Built 1974-1983
- 11 office warehouse buildings, totaling 670,000 square feet; this industrial area continues into the older, Hopkins industrial space to the east.
- 20.3% vacancy rate; 135,700 sf available. This includes a 118,000 sf vacant building at 5101 Shady Oak, owned by CSM Corp.
- Tenants include Bay Island Inc., rtech Laboratories, Wildlife Sciences, IMRIS, Rainbow Cos.

## Primary Industrial Areas in Minneonka

### Smaller Industrial Areas

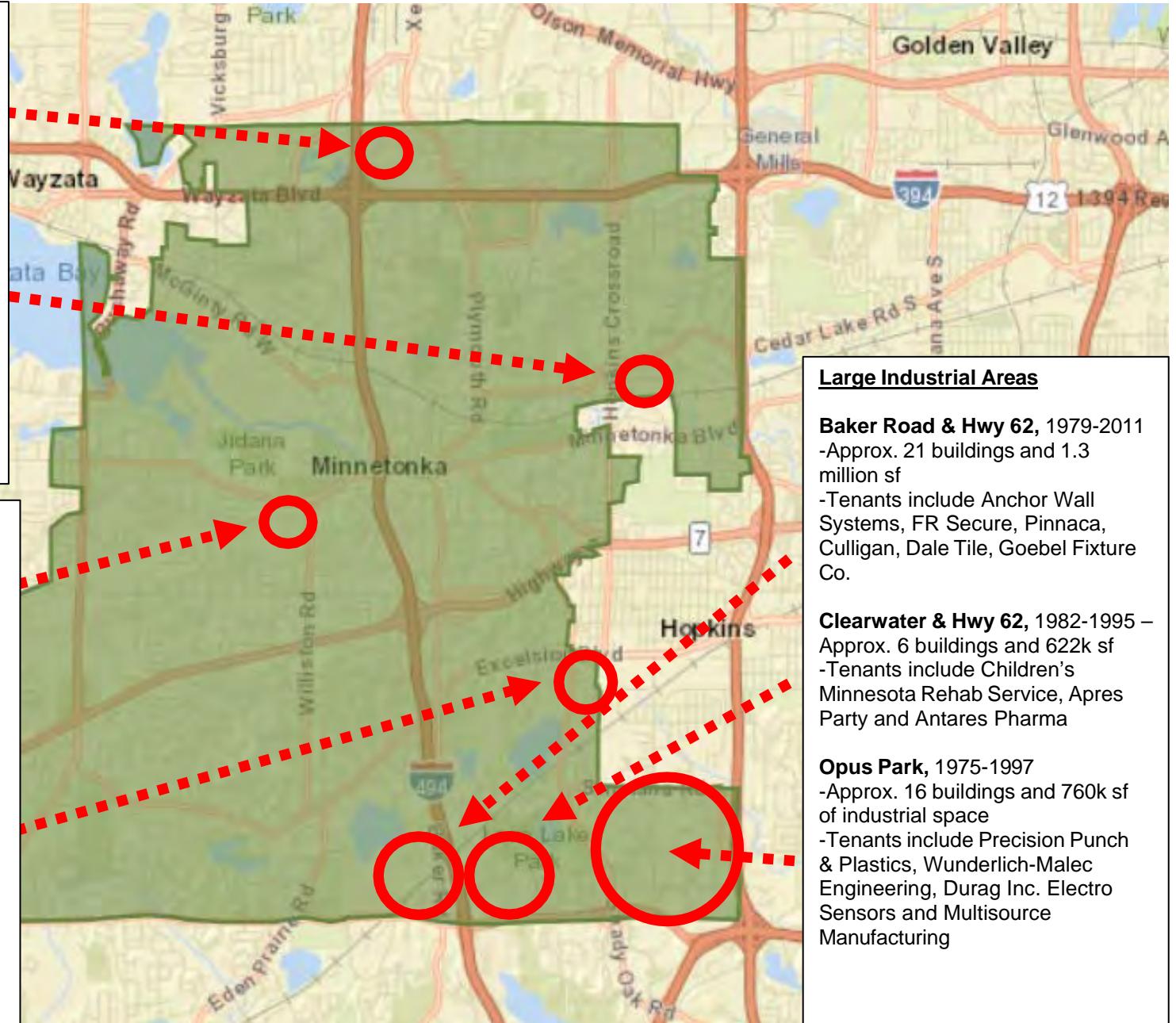
**Carlson Business Center, 1996**  
 -Approx. 11 flex and office buildings located in Plymouth and Minnetonka  
 -Tenants include Advanced Records Management, Emser Tile, Dakota Supply Group Olympic Steel

**Hedberg Industrial Area, 1980**  
 -Approx. 5 multi-tenant flex buildings located near Hopkins Crossroads & Minnetonka Blvd  
 -Self-storage buildings nearby  
 -Tenants include Bam Automotive, J J shearer Co., Sha'arim Inc., Stempf Automotive

### Mid-Size Industrial Areas

**Mtka Blvd & Williston, 1969-1987**  
 -Approx. 12 flex, office and light industrial  
 -Tenants Include St Jude Medical, Lurton Mfg., Fusion Pet Retreat, Creo Arts & Dance Conservatory, Water Street Retail, Gobros.com, Stats Intl.

**Encore Park, 1974-1983**  
 -Approx. 11 office industrial buildings near Shady Oak Road and K-Tel Drive, many owner-occupied industrial buildings lie to the east in Hopkins  
 -Tenants include Ron Mar Foos, Gold Paw Series, Seiko Optical, Technomark, Bay Island, Wildlife Sciences, retch Laboratories, Mayon Plastics, Rainbow Companies etc.



### Large Industrial Areas

**Baker Road & Hwy 62, 1979-2011**  
 -Approx. 21 buildings and 1.3 million sf  
 -Tenants include Anchor Wall Systems, FR Secure, Pinnaca, Culligan, Dale Tile, Goebel Fixture Co.

**Clearwater & Hwy 62, 1982-1995** –  
 -Approx. 6 buildings and 622k sf  
 -Tenants include Children's Minnesota Rehab Service, Apres Party and Antares Pharma

**Opus Park, 1975-1997**  
 -Approx. 16 buildings and 760k sf of industrial space  
 -Tenants include Precision Punch & Plastics, Wunderlich-Malec Engineering, Durag Inc. Electro Sensors and Multisource Manufacturing

### **Baker Road & Highway 62**

- Mostly built 1979-1988; three buildings are newer.
- 14 flex, manufacturing and office warehouse buildings totaling 635,000 square feet.
- 6.0% vacancy rate; 38,000 sf available.
- Tenants include Culligan Water, Anchor Wall Systems, FR Secure, Pinnaca, Pro-Tec Design, Tailwind Voice & Data, Goebel Fixture Co., Dale Tile.

### **Clearwater Road & Hwy 62,**

- Built 1982-1995
- Six buildings totaling 622,000 square feet.
- 9.5% vacancy rate; 68,000 sf available.
- Tenants include Children's Minnesota Rehab Service, Apres Party & Tent Rental, SUEZ Water Technologies & Solutions, and Antares Pharma.

### **Opus Park - Shady Oak Road & Hwy 62**

- Built between 1975-1997
- 16 buildings totaling approximately 766,000 square feet of industrial area
- 13.6% vacancy rate; 105,000 sf available.
- Tenants include Precision Punch & Plastics, Wunderlich-Malec Engineering, Durag Inc., Electro Sensors, and Multisource Manufacturing.
- Industrial is interspersed with office buildings throughout the Opus Park campus; some buildings have been repurposed to alternative uses, such as the Eagle Ridge charter school. Other buildings have been demolished and have been or are in the process of being replaced by new apartment communities (e.g. RiZe at Opus Park, Bren Rd Station, Minnetonka Station, Alcott, Townline, and Marlowe). Similarly, within the central portion of Opus Park, it is anticipated that the area near the new LRT station, including the Minneapolis Mart property, will be redeveloped to incorporate upwards of 1,000 units of multifamily housing along with new park space and potentially a small amount of commercial development.

Industrial vacancy in Minnetonka was calculated at 8.1% at the end of 2024, with approximately 380,000 sf vacant out of 4.7 million total sf. The city's industrial vacancy rate was slightly higher than that of the larger Southwest metro area at 5.6%. Our research also shows that Minnetonka's industrial vacancy rate has declined slightly from 10.4% in 2019.

The Minnetonka vacancy rate has a tendency to ramp up for a period of time when large industrial users vacate a building or multiple buildings within the city. Releasing of these spaces can be prolonged in some cases, depending on the building and location and the space needs of various tenants. Contributing to the current elevated vacancy rate in Minnetonka is a 118,000-sf vacant building at 5101 Shady Oak Road. This 1977-built building is owned by CSM Corporation. This building vacancy accounts for nearly 1/3 of total industrial vacancy throughout the city.

Industrial Market Metrics - Minnetonka & Peer Cities Comparison				
City	Total SF	Vacant SF	Vacancy	Avg. Rent (NNN)
Minnetonka	4,688,319	379,722	8.1%	\$5.77
Plymouth	18,748,822	1,358,785	7.2%	\$10.18
Eden Prairie	11,643,491	980,107	8.4%	\$10.84
St. Louis Park	8,445,388	275,068	3.3%	\$11.59
Maple Grove	10,970,394	654,968	6.0%	\$10.16
Woodbury	4,059,428	1,081,658	26.6%	\$9.08
Blaine	5,876,030	289,171	4.9%	\$5.67

**Source:** MN-CAR

While Minnetonka's vacancy rate is only slightly elevated compared to the peer cities shown, the city's average base (NNN) rent at \$5.77 is considerably lower than many of the other communities. This is attributable mostly to the fact that Minnetonka's industrial buildings are, on average, somewhat older than many of those in peer communities.

### Industrial Market: Key Conclusions

The following are key points from our analysis of the industrial property market environment in Minnetonka:

- Minnetonka features approximately 4.7 million sf of rentable industrial space, with an 8.1% vacancy rate at year-end 2024. Most of the city's industrial inventory consists of office-showroom buildings, with many of these properties built during the 1970s and 1980s. The city's older buildings tend to be somewhat more affordable compared to parts of the metro area that have seen more industrial development activity in recent years. These locations tend to be on larger land tracts in farther-out suburban markets such as Shakopee to the south and Rogers and Dayton to the north. Over the years, Minnetonka has seen the exodus of some warehouse/distribution center users seeking modern properties with superior freeway access.
- Minnetonka is not a prime candidate for new industrial development. The city does not feature large tracts of land with immediate freeway access that might accommodate large-scale warehouse & distribution centers. That said, many of the City's industrial areas should function quite well over the long term – such as the Carlson Center, Cedar 73, and the Williston/Minnetonka Boulevard area.
- The Opus Park, Minnetonka's largest industrial/business park based continues to experience a transition, with redevelopment of several former commercial properties to institutional/educational and residential uses. This trend is expected to continue. Land values for these alternate uses now surpasses current industrial property values, in some

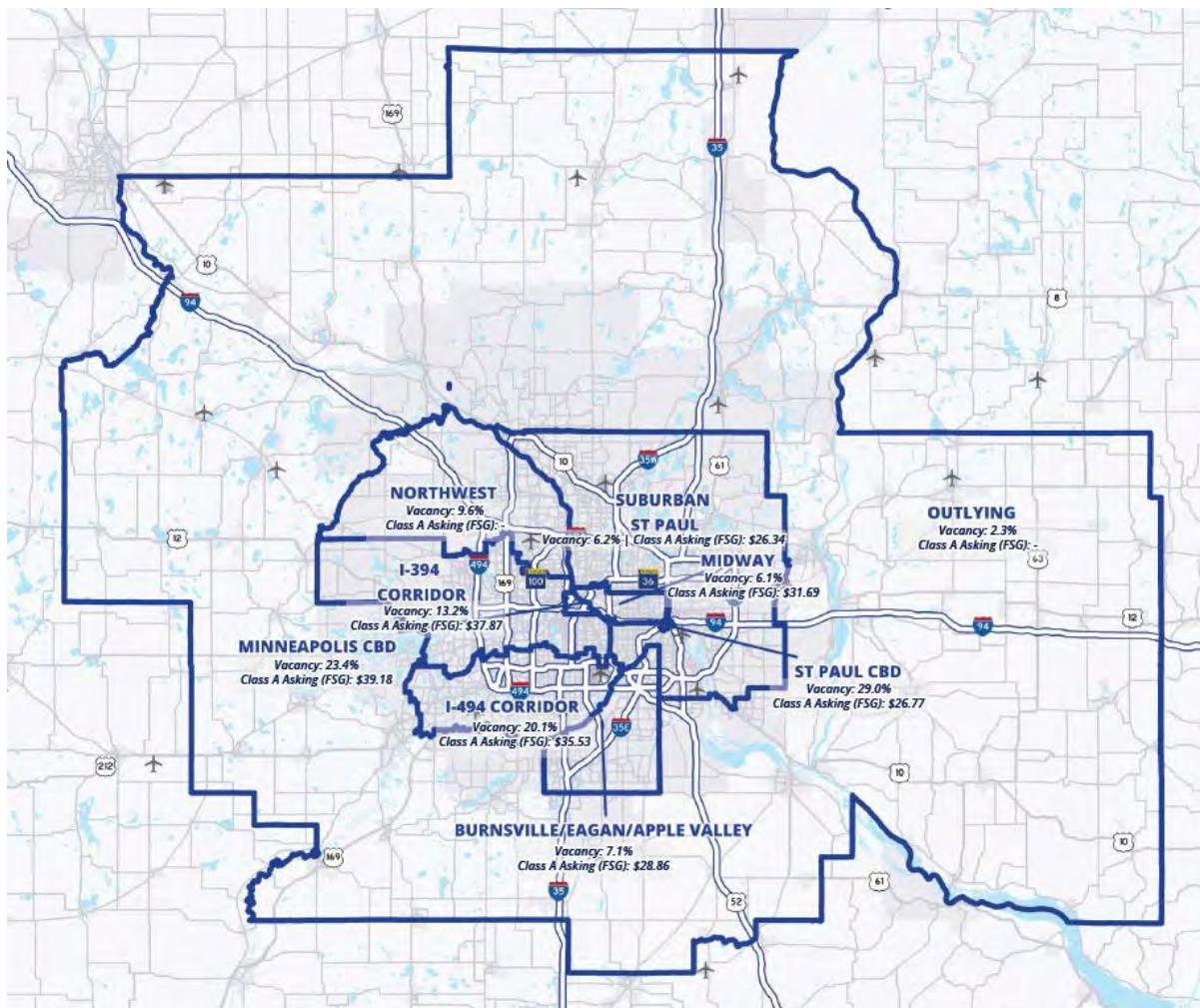
cases – hence redevelopment is occurring. A primary example is the Minneapolis Mart property, which is expected to be redeveloped to incorporate upwards of 1,000 medium to high-density housing units along with a 4- acre public park space. We caution that retail development here and throughout the Opus Park will be very challenging due to this area's one-way street network and lack of direct visibility and connectivity to major thoroughfares. We expect that the Minneapolis Mart project will account for the lion's share of redevelopment activity in Opus Park over the next 5-7+ years. Other parcels, such as the nearby Boston Scientific property with 16 acres, could become candidates for redevelopment over the longer term.

- Nearby Encore Park could be another potential area for redevelopment. This area features proximity to downtown Hopkins, Shady Oak Lake, the under-construction SW-LRT line, and many residential areas. The vacant 250,000-sf office/warehouse property known as Minnetonka Corporate Center (5101 Shady Oak Rd) features nearly 16 acres and could be evaluated for redevelopment to an alternate use, depending on the objectives of the property owner (CSM) and the city's receptiveness to alternate uses. Medium and/or high-density housing alternatives could work well here.

# **OFFICE MARKET CONDITIONS**

## OFFICE MARKET CONDITIONS

In this section we present a summary of historical and current office market conditions. Below is the Colliers-defined office submarket map for the Twin Cities metro area. Again, we begin with an overview of key metrics for the Twin Cities metro area as a whole and various submarkets, followed by a discussion of the Minnetonka office market, specifically. Minnetonka office buildings are spread across two submarkets, including the I-394 and I-494 Corridors shown on the map.

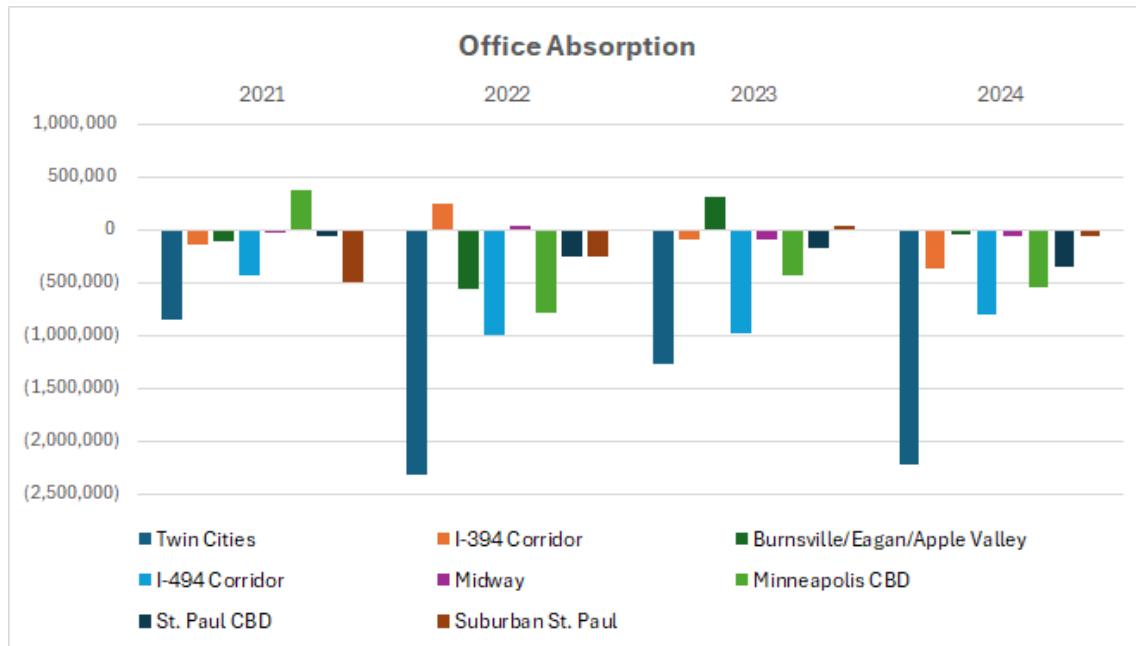


### Twin Cities Office Market Trends

The Twin Cities office market includes **152.4 million sf** of rentable space. Once again, in evaluating the local and regional office market, Colliers quarterly and annual reports and the MN Commercial Association of Realtors (MN-CAR) are our primary data sources. The following are key metrics and a discussion of office market conditions in the Twin Cities metro area.

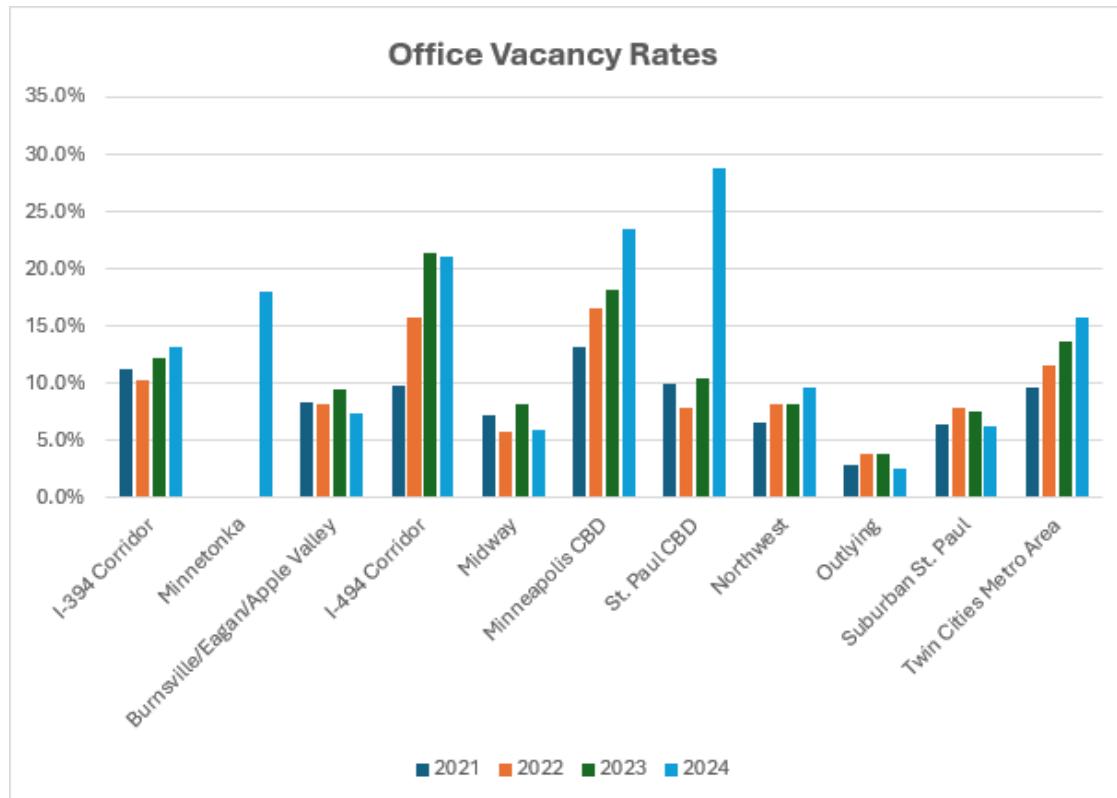
Office Market Conditions by Submarket, 2021-2024																
Source: Colliers, Multi-tenant properties over 20,000 sq. ft.																
Submarket/Class	2021				2022				2023				2024			
	Inventory	Vacancy	Vacancy %	Absorption	Inventory	Vacancy	Vacancy %	Absorption	Inventory	Vacancy	Vacancy %	Absorption	Inventory	Vacancy	Vacancy %	Absorption
<b>I-394 Corridor</b>																
A	7,629,310	1,328,263	17.4%	(150,217)	7,576,203	1,340,988	17.7%	175,718	6,897,815	1,393,359	20.2%	60,346	3,157,628	716,782	22.7%	(90,989)
B	13,779,907	1,131,330	8.2%	(3,171)	13,796,776	1,227,913	8.9%	83,475	11,684,028	1,168,403	10.0%	(118,048)	12,289,482	1,868,001	15.2%	(267,721)
C	5,491,973	577,756	10.5%	1,464	5,397,453	183,513	3.4%	(19,382)	4,035,936	197,761	4.9%	(32,285)	6,875,892	357,546	5.2%	(16,743)
<b>Total</b>	<b>26,901,190</b>	<b>3,037,349</b>	<b>11.3%</b>	<b>(151,924)</b>	<b>26,770,432</b>	<b>2,752,414</b>	<b>10.3%</b>	<b>239,811</b>	<b>22,617,779</b>	<b>2,759,522</b>	<b>12.2%</b>	<b>(89,987)</b>	<b>22,323,002</b>	<b>2,942,329</b>	<b>13.2%</b>	<b>(375,453)</b>
<b>Burnsville/Eagan/AppleValley</b>																
A	1,831,065	195,741	10.7%	3,011	1,255,317	80,340	6.4%	(406,000)	973,053	68,114	7.0%	288,292	310,594	67,088	21.6%	4,614
B	9,311,177	779,346	8.4%	(115,216)	9,596,578	844,499	8.8%	(135,951)	8,137,006	756,742	9.3%	46,355	8,362,269	535,185	6.4%	(18,588)
C	2,148,049	123,298	5.7%	481	2,101,402	136,591	6.5%	(25,940)	1,810,312	209,996	11.6%	(34,873)	2,087,627	177,448	8.5%	(31,489)
<b>Total</b>	<b>13,290,291</b>	<b>1,098,384</b>	<b>8.3%</b>	<b>(111,724)</b>	<b>12,953,297</b>	<b>1,061,430</b>	<b>8.2%</b>	<b>(567,891)</b>	<b>10,920,371</b>	<b>1,034,851</b>	<b>9.5%</b>	<b>299,774</b>	<b>10,760,490</b>	<b>779,722</b>	<b>7.3%</b>	<b>(45,463)</b>
<b>I-494 Corridor</b>																
A	12,280,896	1,170,369	9.5%	(390,822)	12,777,501	1,686,630	13.2%	(92,795)	12,564,722	2,663,721	21.2%	(601,622)	5,535,712	1,029,642	18.6%	62,077
B	16,256,133	1,671,130	10.3%	19,681	15,156,170	3,107,015	20.5%	(947,148)	11,990,899	3,057,679	25.5%	(242,117)	17,228,487	4,186,522	24.3%	(722,314)
C	4,582,640	408,313	8.9%	(65,945)	4,612,614	313,658	6.8%	34,227	3,786,654	348,372	9.2%	(137,051)	5,139,135	678,366	13.2%	(142,761)
<b>Total</b>	<b>33,119,669</b>	<b>3,249,813</b>	<b>9.8%</b>	<b>(437,086)</b>	<b>32,546,285</b>	<b>5,107,303</b>	<b>15.7%</b>	<b>(1,005,716)</b>	<b>28,342,275</b>	<b>6,069,772</b>	<b>21.4%</b>	<b>(980,790)</b>	<b>27,903,334</b>	<b>5,894,531</b>	<b>21.1%</b>	<b>(802,998)</b>
<b>Midway</b>																
A	1,127,026	277,587	24.6%	6,318	1,127,026	116,084	10.3%	46,575	1,848,367	24,029	1.3%	(20,886)	741,376	149,758	20.2%	16,840
B	9,377,030	633,887	6.8%	(25,235)	9,411,817	602,356	6.4%	(23,383)	2,605,723	362,195	13.9%	(72,399)	5,442,942	272,147	5.0%	(25,657)
C	3,309,826	82,084	2.5%	(9,146)	3,274,731	68,769	2.1%	4,706	285,282	3,423	1.2%	216	5,420,531	260,185	4.8%	(53,876)
<b>Total</b>	<b>13,813,882</b>	<b>993,557</b>	<b>7.2%</b>	<b>(28,063)</b>	<b>13,813,574</b>	<b>787,209</b>	<b>5.7%</b>	<b>27,898</b>	<b>4,739,372</b>	<b>389,648</b>	<b>8.2%</b>	<b>(93,069)</b>	<b>11,604,849</b>	<b>682,091</b>	<b>5.9%</b>	<b>(62,693)</b>
<b>Minneapolis CBD</b>																
A	26,135,127	2,942,815	11.3%	367,032	26,759,937	3,692,871	13.8%	(284,950)	26,394,295	3,985,539	15.1%	(203,982)	10,701,898	2,953,724	27.6%	(32,873)
B	16,660,234	2,857,230	17.2%	99,605	15,708,200	3,644,302	23.2%	(440,422)	14,000,214	3,472,053	24.8%	(174,244)	22,490,509	5,195,308	23.1%	(415,374)
C	3,174,769	278,110	8.8%	(98,830)	3,229,428	242,207	7.5%	(61,572)	2,789,865	359,893	12.9%	(59,032)	7,658,042	1,470,344	19.2%	(91,489)
<b>Total</b>	<b>45,970,130</b>	<b>6,078,155</b>	<b>13.2%</b>	<b>367,807</b>	<b>45,697,565</b>	<b>7,579,381</b>	<b>16.6%</b>	<b>(786,944)</b>	<b>43,184,374</b>	<b>7,817,484</b>	<b>18.1%</b>	<b>(437,258)</b>	<b>40,850,449</b>	<b>9,619,375</b>	<b>23.5%</b>	<b>(539,736)</b>
<b>St. Paul CBD</b>																
A	4,354,336	323,092	7.4%	(352)	3,806,689	213,175	5.6%	(16,210)	4,058,980	418,075	10.3%	(16,031)	2,862,783	784,403	27.4%	(89,653)
B	7,308,136	838,243	11.5%	(70,467)	19,621,233	1,805,153	9.2%	(79,710)	6,443,149	682,974	10.6%	(133,342)	3,195,487	949,060	29.7%	(251,504)
C	494,113	51,338	10.4%	6,862	4,761,139	190,446	4.0%	(168,793)	716,006	64,441	9.0%	(21,103)	1,705,472	501,409	29.4%	(8,451)
<b>Total</b>	<b>12,156,585</b>	<b>1,212,673</b>	<b>10.0%</b>	<b>(63,957)</b>	<b>28,189,061</b>	<b>2,208,774</b>	<b>7.8%</b>	<b>(264,713)</b>	<b>11,218,135</b>	<b>1,165,489</b>	<b>10.4%</b>	<b>(170,476)</b>	<b>7,763,742</b>	<b>2,234,871</b>	<b>28.8%</b>	<b>(349,608)</b>
<b>Northwest</b>																
A	2,063,520	31,985	1.6%	7,245	2,081,404	18,733	0.9%	37,843	1,848,367	24,029	1.3%	(20,886)	131,874	23,737	18.0%	-
B	3,483,477	345,213	9.9%	(14,679)	3,532,077	473,298	13.4%	(52,680)	2,605,723	362,195	13.9%	(72,399)	3,354,771	167,739	5.0%	14,986
C	395,990	8,276	2.1%	10	353,959	2,832	0.8%	6,486	285,282	3,423	1.2%	216	1,028,447	239,628	23.3%	4,737
<b>Total</b>	<b>5,942,987</b>	<b>385,473</b>	<b>6.5%</b>	<b>(7,424)</b>	<b>5,967,440</b>	<b>494,863</b>	<b>8.2%</b>	<b>(8,351)</b>	<b>4,739,372</b>	<b>389,648</b>	<b>8.2%</b>	<b>(93,069)</b>	<b>4,515,092</b>	<b>431,104</b>	<b>9.6%</b>	<b>19,723</b>
<b>Outlying</b>																
A	253,183	11,241	4.4%	(37,773)	253,183	15,444	6.1%	9,037	61,624	0	0.0%	150	-	-	-	-
B	5,716,477	194,360	3.4%	115,089	5,698,260	245,025	4.3%	(4,282)	4,259,779	178,911	4.2%	14,370	3,801,444	83,632	2.2%	7,683
C	2,225,701	27,599	1.2%	(2,989)	2,176,256	58,759	2.7%	(5,958)	1,619,512	53,444	3.3%	17,108	2,090,130	60,614	2.9%	(15,395)
<b>Total</b>	<b>8,195,361</b>	<b>233,200</b>	<b>2.8%</b>	<b>74,327</b>	<b>8,127,699</b>	<b>319,228</b>	<b>3.9%</b>	<b>(1,203)</b>	<b>5,940,915</b>	<b>232,355</b>	<b>3.9%</b>	<b>31,628</b>	<b>5,891,574</b>	<b>144,246</b>	<b>2.5%</b>	<b>(7,712)</b>
<b>Suburban St. Paul</b>																
A	3,806,689	189,192	5.0%	(25,034)	3,806,689	213,175	5.6%	(16,210)	1,948,661	175,379	9.0%	12,562	480,135	168,047	35.0%	(74,607)
B	19,799,737	1,441,421	7.3%	(339,796)	19,621,233	1,805,153	9.2%	(79,710)	15,337,260	1,058,271	6.9%	20,138	14,211,623	739,004	5.2%	(74,577)
C	4,798,617	171,790	3.6%	(134,124)	4,761,139	190,446	4.0%	(168,793)	3,618,026	336,476	9.3%	897	6,135,786	380,419	6.2%	82,663
<b>Total</b>	<b>28,405,043</b>	<b>1,802,404</b>	<b>6.4%</b>	<b>(498,954)</b>	<b>28,189,061</b>	<b>2,208,774</b>	<b>7.8%</b>	<b>(264,713)</b>	<b>20,903,947</b>	<b>1,570,127</b>	<b>7.5%</b>	<b>33,597</b>	<b>20,827,544</b>	<b>1,287,470</b>	<b>6.2%</b>	<b>(66,521)</b>
<b>Twins Cities Metro Area</b>																
A	59,481,152	6,471,549	10.9%	(220,592)	59,943,202	7,672,730	12.8%	(493,460)	55,874,543	8,884,052	15.9%	(451,318)	23,922,000	5,884,812	24.6%	(204,591)
B	101,692,308	9,894,662	9.7%	(334,189)	99,671,382	12,658,266	12.7%	(1,593,179)	82,806,604	11,261,698	13.6%	(560,555)	90,377,014	14,008,437	15.5%	(1,753,066)
C	26,621,678	1,727,747	6.5%	(302,217)	26,647,284	1,252,422	4.7%	(234,769)	21,868,350	1,705,731	7.8%	(258,301)	38,141,062	4,119,235	10.8%	(272,804)
<b>Total</b>	<b>187,795,138</b>	<b>18,093,958</b>	<b>9.6%</b>	<b>(856,998)</b>	<b>186,261,868</b>	<b>21,583,418</b>	<b>11.6%</b>	<b>(2,321,408)</b>	<b>160,549,497</b>	<b>21,851,482</b>	<b>13.6%</b>	<b>(1,270,174)</b>	<b>152,440,076</b>	<b>24,012,484</b>	<b>15.8%</b>	<b>(2,230,461)</b>

- ***Corporate “right-sizing” and hybrid work models continue to impact the office market – the 2020 pandemic prompted a significant change in how and where companies do business.*** Many businesses transitioned to work-from-home and hybrid models whereby employees work fewer days in the office. While some businesses have shifted back to more days in the office, the expectation is that companies will utilize less office space over time because many employees have shown a preference for work-from-home or hybrid models. Meanwhile, many businesses have created efficiencies in working this way. As such, demand for office space is down considerably across the metro area, and vacancy has been on the rise over 5+ years.
- Large corporate users have downsized their footprint considerably, leaving behind large chunks of vacant space, or entire buildings in some cases. Examples in the west and southwest metro area include UnitedHealth Group vacating 344,000 at its headquarters in Opus Park, consolidating employees at its nearby Eden Prairie properties, and Cargill recently vacating more than 250,000 sf. With entire buildings being vacated and large chunks of sublease space proliferating the market, vacancy is expected to remain elevated for an extended period of time. Because most of the current demand in the market is from smaller businesses seeking smaller office spaces of less than 10,000 sf, it is likely that large sublease spaces will remain on the market until leases expire.
- ***Absorption (Demand)*** – Absorption is the primary measure of “demand” for space – by definition, absorption is the net change (increase or decrease) in the amount of occupied space over a period of time. Negative absorption totaled more than -2.2 million sf in 2024 across the metro area, marking the fifth consecutive year of declining demand. Only the Northwest submarket experienced a net increase in absorption in 2024, with positive absorption of just over 19,000 sf for the year. Minnetonka lies partly in the 394 and 494 Corridor submarkets. Office utilization declined by -375,000 sf in the 394 Corridor, compared to -803,000 sf in the 494 Corridor.



Net Absorption of Office Space by Submarket, 2021-2024				
Submarket	2021	2022	2023	2024
I-394 Corridor	(151,924)	239,811	(89,987)	(375,453)
Burnsville/Eagan/Apple Valley	(111,724)	(567,891)	299,774	(45,463)
I-494 Corridor	(437,086)	(1,005,716)	(980,790)	(802,998)
Midway	(28,063)	27,898	(93,069)	(62,693)
Minneapolis CBD	367,807	(786,944)	(437,258)	(539,736)
St. Paul CBD	(63,957)	(264,713)	(170,476)	(349,608)
Northwest	(7,424)	(8,351)	(93,069)	19,723
Outlying	74,327	(1,203)	31,628	(7,712)
Suburban St. Paul	(498,954)	(264,703)	33,597	(66,521)
Tw in Cities Metro Area (Total)	(856,998)	(2,321,408)	(1,270,174)	(2,230,461)

- **Negative absorption trend in 2024 drives higher vacancy in the metro area** – With metro-wide office demand declining by more than 2.2 million sf, we saw another increase in the metro area vacancy rate in 2024, ending the year at 15.8%. This marked the fifth consecutive year of increasing vacancy in the Twin Cities market.
- **Vacancy varies considerably by submarket** - The Twin Cities' overall office vacancy rate stood at 15.8% as of 2024 year-end. By submarket, vacancy rates ranged from a low of just 2.5% for the outer-lying portion of the region to a high of 28.8% in the St. Paul CBD. Vacancy remained quite high in the Minneapolis CBD as well, at 23.5%. Most of Minnetonka lies within the 394 Corridor submarket, although the southern portion of the city is in the 494 Corridor as classified in Colliers' reporting. Vacancy in the 394 and 494 Corridor submarkets was 13.2% and 21.1%, respectively, at year-end 2024.



Office Vacancy by Submarket -- 2021-2024				
Submarket	2021	2022	2023	2024
I-394 Corridor	11.3%	10.3%	12.2%	13.2%
Burnsville/Eagan/Apple Valley	8.3%	8.2%	9.5%	7.3%
I-494 Corridor	9.8%	15.7%	21.4%	21.1%
Midway	7.2%	5.7%	8.2%	5.9%
Minneapolis CBD	13.2%	16.6%	18.1%	23.5%
St. Paul CBD	10.0%	7.8%	10.4%	28.8%
Northwest	6.5%	8.2%	8.2%	9.6%
Outlying	2.8%	3.9%	3.9%	2.5%
Suburban St. Paul	6.4%	7.8%	7.5%	6.2%
Twin Cities Metro Area	9.6%	11.6%	13.6%	15.8%

- **Positive trends have emerged – “green shoots” appearing in an otherwise soft market -** There are bright spots in the market, however. Twin Cities office brokers point to the following positive trends:
  - Sublease availability remains high but has peaked. The most recent report from Colliers notes that 2024 Q4 was the 5<sup>th</sup> consecutive quarter of decline in sublease availability – total sublease availability has declined to 3.3 million sf across the metro area.
  - Increasing demand from small businesses seeking less than 10,000 sf

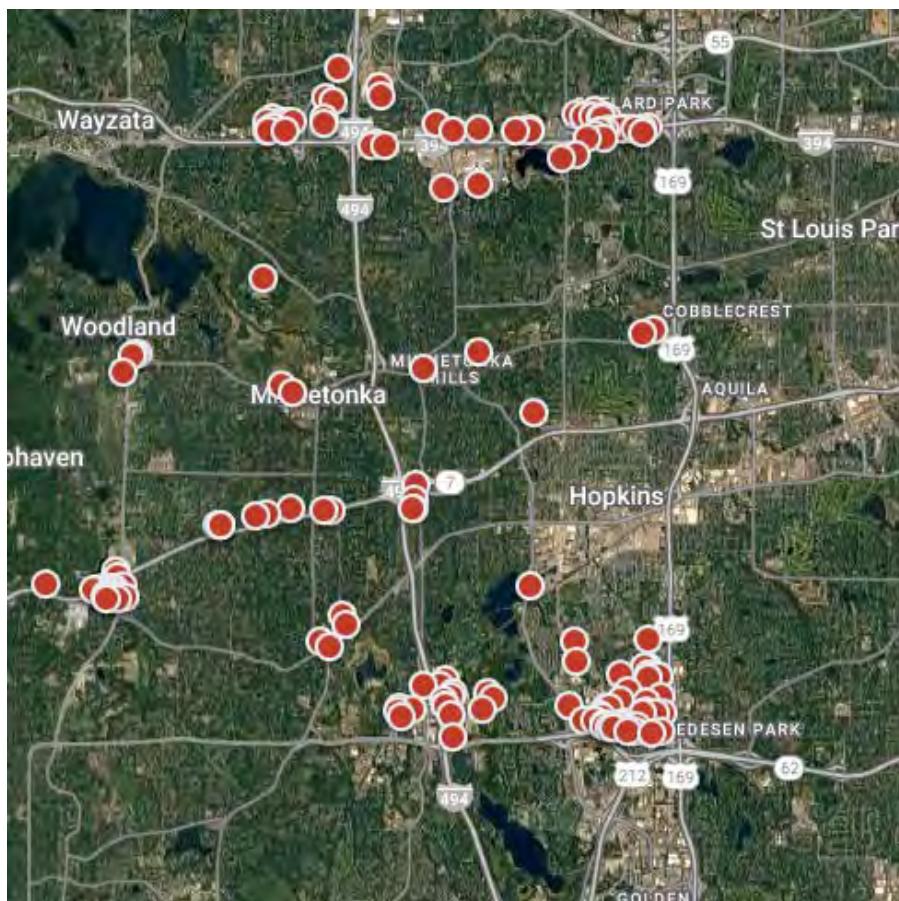
- Demand for space in desirable “micro markets,” especially the West End of St. Louis Park, the Minneapolis “North Loop,” the Southdale area of Edina, Maple Grove, and the I-494 corridor in both Minnetonka and Edina.
- Because of how they wish to work and collaborate and the environment they want to provide for their employees, many small businesses across the Twin Cities are seeking to provide a high-quality office environment in desirable locations. Employees want modern, comfortable offices in highly-amenitized buildings that feature a strong neighborhood dynamic with walkability and proximity to restaurants, pubs and shops, and, ideally, a relatively easy commute to/from home.
- This trend is also driving strong demand for “spec” suites with 4,000 to 10,000 square feet. Tenants are seeking fully built-out, “turn-key” spaces in these prime locations. While many tenants prefer shorter lease terms, landlords are seeking longer terms in addition to a strong rental rate to justify the required space improvements. Because of this, there is still a relatively short supply of these spec suites within the market.
- ***Office Rental Rates*** – Rental rates for office space are typically quoted on a “gross” basis. “Gross rent” including base rent (often referred to as the “NNN” rate) plus a tenant’s proportionate share of common area maintenance expenses (“CAM”) and RE taxes. Despite the increase in office vacancy in the Twin Cities market, the average asking gross rent at \$30.25 was +3.9% over the past year and +13.9% over three years. It is important to note that this is the average “asking” rent as reported by MN-CAR and Colliers, and does not account for discounts or periods of free rent that may be granted to a tenant in negotiating a new office lease. Nonetheless, the increase in the average asking rent reflects the position of landlords in the Twin Cities market, many of whom are seeking higher rents to fund increasing tenant build-out costs. Landlords are also dealing significant increases in operating costs (such as payroll, maintenance costs, insurance, etc.). These cost increases are in turn passed along to tenants, thus increasing their gross rental payments.
- The following table shows office rents by submarket for 2021-2024. For 2024 Q4, office rents averaged \$32.34 in the 394 Corridor and \$29.22 in the 494 Corridor. Average rents ranged from a low of \$22.70 in the Burnsville/Eagan/Apple Valley submarket to a high of \$33.74 in the Minneapolis CBD. The 394 Corridor reported the second-highest average rent in the metro area at \$32.34, trailing only the Mpls CBD.

Twin Cities Office Gross Rental Rates, 2021-2024 (year end)					
Source: Colliers, Multi-tenant properties over 20,000 sq. ft.					
Submarket/Class	Q4 2021	Q4 2022	Q4 2023	Q4 2024	3 Year Rent Growth (2021-2024)
<b>I-394 Corridor</b>					
A	\$38.47	\$32.40	\$36.09	\$38.59	0.3%
B	\$27.19	\$27.22	\$30.02	\$31.61	16.3%
C	\$22.50	\$23.26	\$26.23	\$26.58	18.1%
<b>Overall Avg</b>	<b>\$29.43</b>	<b>\$29.47</b>	<b>\$32.72</b>	<b>\$32.34</b>	<b>9.9%</b>
<b>Burnsville/Eagan/Apple Valley</b>					
A	\$27.00	\$22.65	\$28.64	\$27.02	0.1%
B	\$24.74	\$20.26	\$24.45	\$23.91	-3.4%
C	\$18.58	\$13.38	\$21.31	\$19.39	4.4%
<b>Overall Avg</b>	<b>\$24.06</b>	<b>\$19.57</b>	<b>\$23.96</b>	<b>\$22.70</b>	<b>-5.7%</b>
<b>I-494 Corridor</b>					
A	\$31.32	\$25.76	\$29.55	\$36.34	16.0%
B	\$26.73	\$23.01	\$27.16	\$28.58	6.9%
C	\$22.37	\$19.98	\$20.52	\$24.29	8.6%
<b>Overall Avg</b>	<b>\$27.83</b>	<b>\$23.73</b>	<b>\$28.17</b>	<b>\$29.22</b>	<b>5.0%</b>
<b>Midway</b>					
A	\$27.23	\$22.52	\$29.65	\$31.76	16.6%
B	\$24.59	\$22.16	\$23.48	\$24.45	(0.6%)
C	\$17.64	\$16.60	\$21.35	\$23.56	33.6%
<b>Overall Avg</b>	<b>\$23.14</b>	<b>\$21.74</b>	<b>\$24.13</b>	<b>\$25.60</b>	<b>10.6%</b>
<b>Minneapolis CBD</b>					
A	\$34.79	\$30.52	\$36.53	\$39.31	13.0%
B	\$29.10	\$26.48	\$28.07	\$31.03	6.6%
C	\$27.54	\$19.25	\$24.74	\$30.40	10.4%
<b>Overall Avg</b>	<b>\$32.23</b>	<b>\$28.22</b>	<b>\$32.79</b>	<b>\$33.74</b>	<b>4.7%</b>
<b>St. Paul CBD</b>					
A	\$28.18	\$21.59	\$27.89	\$30.72	9.0%
B	\$23.09	\$13.62	\$20.67	\$24.51	6.1%
C	\$17.46	\$16.20	\$18.43	\$22.44	28.5%
<b>Overall Avg</b>	<b>\$24.68</b>	<b>\$16.83</b>	<b>\$23.14</b>	<b>\$26.06</b>	<b>5.6%</b>
<b>Northwest</b>					
A	\$30.26	\$29.90	N/A	N/A	N/A
B	\$18.43	\$18.42	N/A	N/A	N/A
C	\$19.11	\$18.73	N/A	N/A	N/A
<b>Overall Avg</b>	<b>\$22.58</b>	<b>\$18.84</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Outlying</b>					
A	\$22.93	N/A	N/A	N/A	N/A
B	\$21.24	\$18.50	N/A	N/A	N/A
C	\$18.63	\$19.11	N/A	N/A	N/A
<b>Overall Avg</b>	<b>\$20.58</b>	<b>\$18.55</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Suburban St. Paul</b>					
A	\$26.37	\$20.12	\$26.31	\$26.37	0.0%
B	\$18.67	\$21.16	\$23.88	\$26.81	43.6%
C	\$17.12	\$16.27	\$16.69	\$22.27	30.1%
<b>Overall Avg</b>	<b>\$19.44</b>	<b>\$20.64</b>	<b>\$23.52</b>	<b>\$25.13</b>	<b>29.3%</b>
<b>Tw in Cities Metro Area</b>					
A	\$32.93	\$28.68	\$33.47	\$37.15	12.8%
B	\$24.38	\$23.12	\$26.05	\$29.10	19.4%
C	\$20.72	\$18.62	\$21.79	\$25.15	21.4%
<b>Overall Avg</b>	<b>\$26.57</b>	<b>\$24.83</b>	<b>\$29.12</b>	<b>\$30.25</b>	<b>13.9%</b>
Note: All Asking Rates shown are based on advertised rates for available spaces					

### Minnetonka Office Market

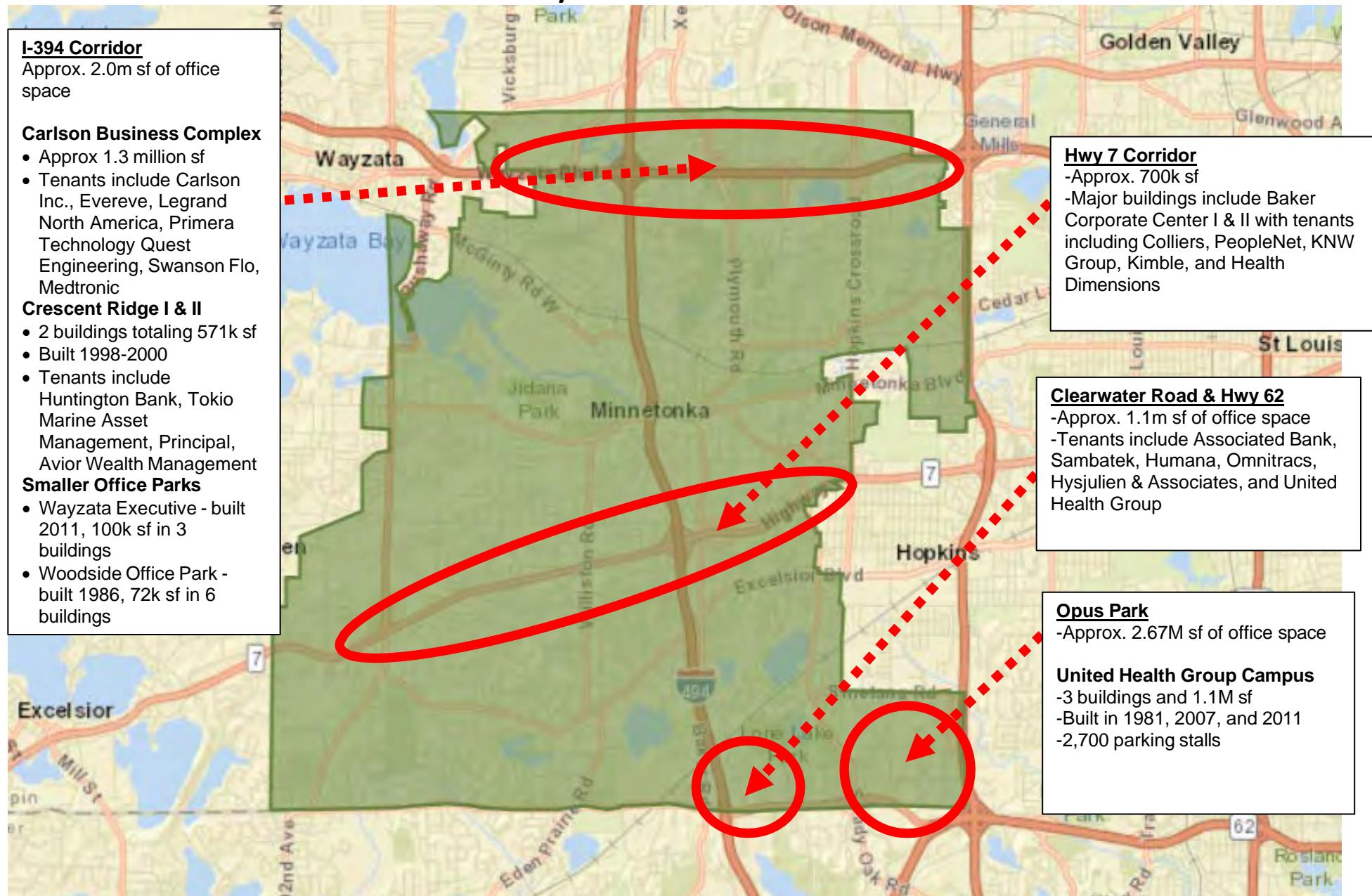
Compared to industrial, Minnetonka has a much more substantial office market. The city features just over 8.0 million sf of rentable office space, comprising approximately 5% the metro area market. The aerial map below shows the location of Minnetonka office buildings as listed on the Minnesota Commercial Association of Realtors' (MN-CAR) database. Most of Minnetonka's office buildings were constructed between 1960-2000. Several developers had attempted to build new office space in Minnetonka over the past two decades preceding the 2020 pandemic, but the market was not strong enough to support speculative new construction, and demand has softened since that time.

**Minnetonka Office Buildings**



Shown on the following page is a map and synopsis of the primary office nodes in Minnetonka. This includes the I-394 corridor (Crescent Ridge, the Carlson Business Center, and three smaller office parks), the Hwy 7 corridor, the Opus Park, and the Clearwater Road/MN-62 area. In addition, there are several single-tenant and/or owner-occupied buildings scattered along commercial corridors such as Minnetonka Boulevard, MN-Hwy 7, and Excelsior Boulevard, although most of these are smaller properties with less than 20,000 square feet.

## Primary Minnetonka Office Areas



### **I-394 Corridor**

This corridor contains approximately 2.0 million sf of office space with a vacancy rate of approximately 20% at year-end 2024, with about 440,000 sf available across several buildings.

#### Carlson Office Buildings

- Built 1989-2001
- Approximately 1.3 million sf between 8 office buildings located in Plymouth and Minnetonka.
- Vacancy reported at 28% with just over 370,000 sf available, including sublease space.
- Tenants include Carlson Inc, Evereve, Legrand North America, Primera Technology, Quest Engineering, Swanson Flo, Medtronic, Matrix NDI, and Medica.

#### Crescent Ridge I & II

- Built 1998-2000/Renovated 2012-2023
- Two buildings totaling 571,000 square feet.
- Approximately 11% vacancy rate with approximately 65,000 vacant sf.
- Tenants include Huntington Bank, Tokio Marine Asset Management, Principal and Avior Wealth Management.

#### Smaller Office Parks

- Wayzata Executive I, II, III – Three buildings totaling 100,000 square feet; built in 2001.
- Woodside Office Park – Six buildings totaling 72,000 square feet; built in 1981-1999.

### **Highway 7 Corridor**

This corridor contains nearly 850,000 square feet of space in over 30 buildings. The vacancy rate for the Hwy 7 Corridor was less than 3%, with only 25,000 square feet of available space.

#### Baker Corporate Center I & II

- First building built 1975, second building built 2008
- Two buildings totaling 172,000 square feet.
- 17.1% vacancy rate, with 94,500-sf available
- Tenants include Northern Oil & Gas, KLC Financial, Metropolitan Corp., NOG and Trimble.

### **Clearwater Road & Hwy 62**

- This area contains 18 buildings with 1.5 million square feet.
- Current vacancy rate is 25.7%, with just under 400,000 vacant sf. The largest vacancy comprises 150,000 sf (entire building) at 12700 Whitewater Road, formerly occupied by United Health Group.
- Tenants include King Technology, Circle K, Marco, UVP Management, Sambatek, and Applied Products.

### **Opus Park Office Area**

This area contains approximately 2.67 million total square feet of rentable office space. Current vacancy is 23%, with 605,000 sf of vacant space, with the recently vacated UHG headquarters building at 344,000 sf accounting for more than ½ of space availability in this area.

#### United Health Group Campus

- Three buildings totaling approximately 1.1 million sf
- Headquarters built in 1981, two other buildings constructed in 2007 and 2011
- UHG recently vacated one of its three Minnetonka buildings in the Opus Park. The building at 9900 Bren Road East had been the company's primary headquarters building since 1998, totaling 344,000 sf. UHG originally constructed the building but completed a sale/leaseback deal in 2014. UHG chose not to renew at the end of the lease term and vacated the property in January 2025, relocating employees to owned buildings in Eden Prairie. The 344,000 sf Minnetonka building is owned by NY-based LCN Capital Partners and has gone into receivership.

#### Other Large Opus Park Office Buildings

- Opus/Digital River Building – 240,000 total sf (132,000 sf currently listed for-lease) – Opus has recently announced plans to construct a new headquarters in Edina, which will create this significant vacancy within the Opus Park.
- Boston Scientific Building – 200,000 sf (to be vacated following move to new R&D facility under construction in Maple Grove)
- Pond View Plaza - 5850 Opus Parkway – 122,000 sf; 22% vacancy
- 5995 Opus Parkway – 165,000 sf – former UHG building recently leased by Stratasys

The table below shows a comparison of Minnetonka office market metrics with a variety of peer cities. Office vacancy in the city of Minnetonka was calculated at 16.5% at the end of 2024, which is up from 13% in 2019 when we completed our last analysis. Minnetonka office vacancy totaled approximately 1.6 million sf. The average asking gross rent at \$18.54 was somewhat lower when compared to peer communities. This reflects the age of several of the specific vacancies and the duration of those vacancies. It's also worth noting that among the Class "A" space availabilities in Minnetonka, such as the UHG Headquarters and the Opus Headquarters, there is no advertised rate. We would expect these spaces to command rents more inline with prime buildings in the submarket in the upper \$20's to low \$30's on a gross basis.

Office Market Metrics - Minnetonka & Peer Cities Comparison				
<u>City</u>	<u>Total SF</u>	<u>Vacant SF</u>	<u>Vacancy</u>	<u>Avg. Rent (Gross)</u>
Minnetonka	8,087,849	1,331,086	16.5%	\$18.54
Plymouth	1,654,664	896,773	54.2%	\$30.67
Eden Prairie	3,650,167	1,203,469	33.0%	\$27.12
St. Louis Park	1,369,802	389,361	28.4%	\$33.50
Maple Grove	1,124,019	50,612	4.5%	\$28.15
Woodbury	3,071,726	193,115	6.3%	\$18.94
Blaine	417,939	42,840	10.3%	\$29.62

*Source: MN-CAR*

***Large blocks of available office space in the city include the following:***

- 344,000 sf at 9900 Bren Rd E - former UHG headquarters building (entire building) (in Opus Park)
- 132,000 sf at 10350-10380 Bren Rd -- current Opus headquarters (in Opus Park)
- 200,000 sf at 10700 Bren Rd W – forthcoming Boston Scientific relocation (in Opus Park)
- 150,000 sf former UHG space at 12700 Whitewater Drive (entire building) (Clearwater Rd & MN-62)

With the noted large vacancies currently in the city such as the UHG Headquarters and 12700 Whitewater Drive, and the forthcoming moves by Boston Scientific and Opus, we expect that vacancy within Class "A" office buildings in Minnetonka will remain elevated for an extended period of time. This could very well create downward pressure on rents as landlords work to re-tenant these spaces.

### **Office Market: Key Conclusions**

The following are key points from our analysis of the office market environment in Minnetonka:

- Minnetonka features approximately 8.0 million sf of rentable office space, with a 16.5% vacancy rate at year-end 2024. Total vacancy comprises just over 1.3 million sf – large property vacancies include the former UHG headquarters (344,000 sf), 344,000 sf), another former UHG building at 12700 Whitewater Drive (150,000 sf). Vacancy is expected to rise over the next several months with the anticipated exodus of large office users such as Boston Scientific (200,000 sf) and The Opus Group (132,000 sf).
- The Twin Cities office market continues to be impacted by corporate right-sizing and hybrid work models. This includes Minnetonka, which is also dealing with significant corporate relocations, with significant office users leaving behind large blocks of space. Thus, while brokers report that office vacancy has peaked in many Twin Cities submarkets, we expect office vacancy will in fact rise in the coming months and remain elevated in Minnetonka for some time.
- That said, Minnetonka is an attractive office market with good access to freeways & future SW-LRT, strong demographics, quality schools and a well-educated workforce. Meanwhile, the noted properties vacated by UHG at 9900 Bren and 12700 Whitewater are high-quality, modern office buildings with high visibility and convenient highway access. These buildings are very likely to operate over the long term as office properties and/or data centers. These large vacancies will either be re-leased to multiple tenants, or perhaps absorbed by a single corporate user, such as has been the case with the Stratasys taking more than 160,000 sf at 5995 Opus Parkway.
- The Boston Scientific office/flex property at 10700 Bren Rd W comprises 200,000 sf of building area on 16 acres. This is a somewhat less desirable office site due to its location in the center of the Opus Park, with inferior freeway exposure and accessibility using the Park's one-way street network. Thus this property is a stronger candidate for redevelopment to an alternate use or multiple uses. A variety of scenarios could be considered as alternates to re-leasing the property as-is. Perhaps a portion of the property could remain in an office and/or data center use, while the remainder transitions to medium to high-density housing. However, with the Minneapolis Mart property just to the south planned for redevelopment and more than 1,000 housing units in the short term, a comprehensive redevelopment of the Boston Sci property could become more viable over the longer-term, perhaps five or more years out.
- Twin Cities office brokers have been noting a “flight to quality” with small to mid-sized businesses seeking office spaces within buildings and neighborhood environments that are highly amenitized and, thus appealing to their employees. Brokers note strong

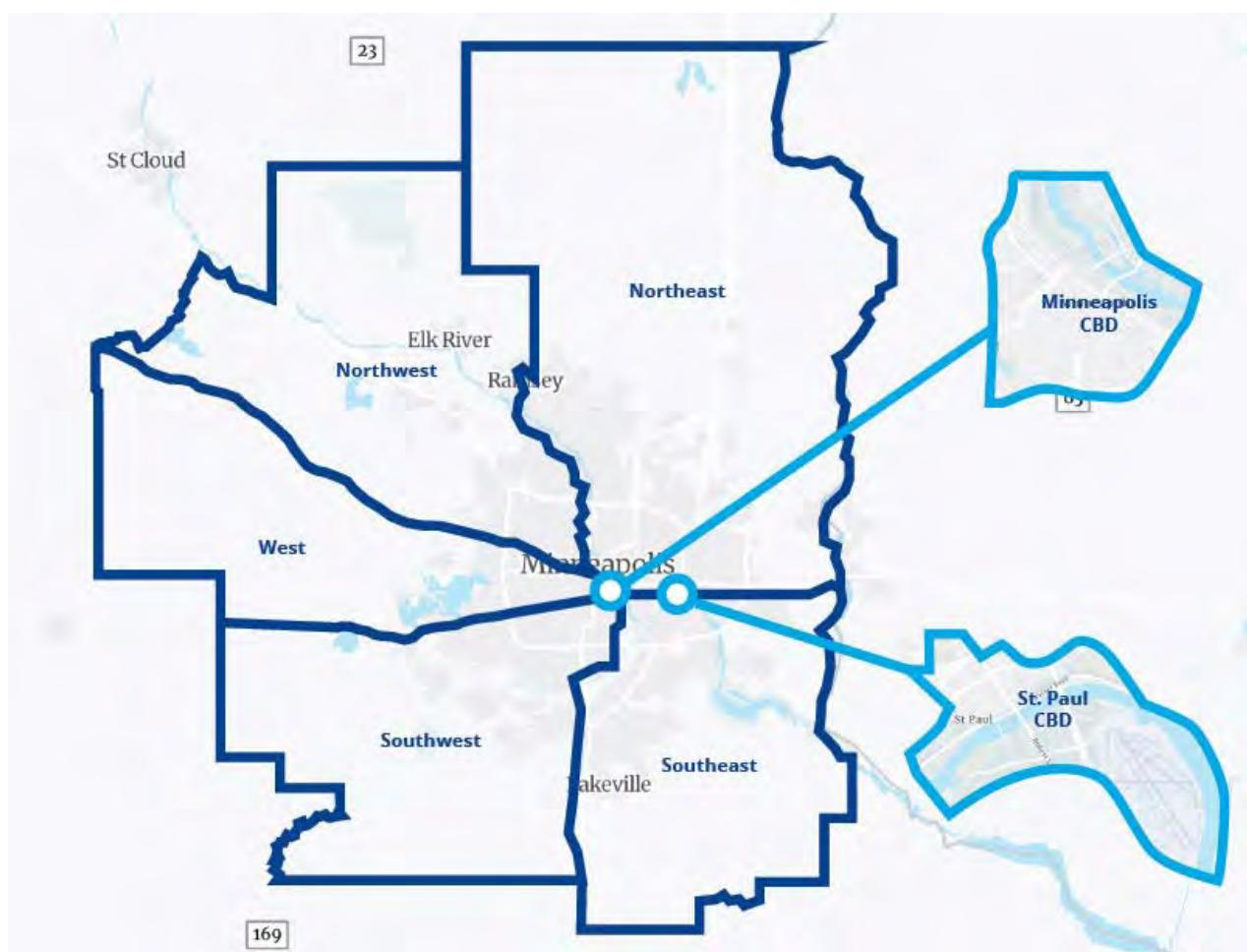
demand for turn-key “spec” suites with 4,000 to 10,000 square feet. While many tenants prefer flexibility and shorter lease terms, landlords are seeking longer terms in addition to a strong rental rate in order to justify the required space improvements. Because of this, there is still a relatively short supply of these spec suites within the market. Owners of large office assets in Minnetonka are faced with this situation as they consider how much to invest in an effort to back-fill large recently vacated spaces.

- The structuring of office leases is also changing in the current market environment. As lease negotiations proceed, prospective tenants are more likely to agree to longer lease terms (preferred by landlords) if that comes with flexibility, the ability to contract or expand, and termination rights (even with a substantial penalty). In the current market and going forward, we expect more office leases will incorporate these termination clauses. From a tenant’s perspective, terminating a lease, paying the associated fee and downsizing by 50% can be more cost effective than restructuring an existing lease for more space than they need.

# **RETAIL REAL ESTATE MARKET CONDITIONS**

## RETAIL MARKET

In this section we present a summary of retail real estate market conditions for the metro area and various submarkets, as well as the city of Minnetonka. Below is the Colliers-defined retail submarket map for the Twin Cities. Minnetonka lies mostly in the West submarket, with a smaller amount of retail space located in the Southwest submarket as delineated below.



## **Twin Cities Retail Market**

The Twin Cities retail market comprises just over 1,900 retail centers of various sizes and configurations and 93.6 million total sf of rentable space. This includes retail space within Outlet Malls, Regional Malls, Community Centers, Neighborhood Centers, and Mixed-Use properties. The table on the following page presents data on retail inventory, vacancy, and annual absorption (demand) by submarket and by center type for each year from 2021-2024.

**Retail Market Conditions by Submarket, 2021-2024 (year end)**

Data Source: MNCAR/Moody's - Multi-tenant retail centers over 30,000

Submarket/Class	2021				2022				2023				2024			
	Inventory	Vacancy	Vacancy %	Absorption	Inventory	Vacancy	Vacancy %	Absorption	Inventory	Vacancy	Vacancy %	Absorption	Inventory	Vacancy	Vacancy %	Absorption
<b>West</b>																
Community Center	427,625	3,142	0.7%	6,886	427,625	2,198	0.5%	944	395,409	135,340	34.2%	(133,142)	395,409	135,340	34.2%	0
Freestanding/Big Box	1,624,022	-	0.0%	0	1,624,384	0	0.0%	0	1,675,646	27,898	1.7%	0	1,676,144	27,898	1.7%	0
Mixed Use	746,347	182,555	24.5%	22,058	554,197	91,072	16.4%	35,240	524,153	101,987	19.5%	(10,915)	524,153	101,068	19.3%	329
Neighborhood Center	1,274,661	123,339	9.7%	(13,241)	1,280,309	109,634	8.6%	37,403	1,522,941	145,046	9.5%	(23,064)	1,522,941	130,267	8.6%	14,779
Regional Center	1,595,107	249,338	15.6%	18,817	1,595,107	144,752	9.1%	104,586	1,595,107	34,592	2.2%	42,760	1,595,107	36,659	2.3%	1,944
Strip Center	941,479	49,449	5.3%	4,626	1,141,386	93,202	8.2%	3,968	914,696	79,073	8.6%	(119)	945,715	84,101	8.9%	8,966
<b>Total Retail</b>	<b>6,609,241</b>	<b>607,823</b>	<b>9.2%</b>	<b>39,146</b>	<b>6,623,008</b>	<b>440,858</b>	<b>6.7%</b>	<b>182,141</b>	<b>6,627,952</b>	<b>523,936</b>	<b>7.9%</b>	<b>(124,480)</b>	<b>6,659,469</b>	<b>515,333</b>	<b>7.7%</b>	<b>26,018</b>
<b>Southwest</b>																
Community Center	2,561,585	516,895	20.2%	110,156	2,561,585	447,958	17.5%	68,937	2,062,361	143,591	7.0%	24,270	2,054,657	171,475	8.3%	(35,588)
Freestanding/Big Box	5,449,878	0.0%	206,248	5,503,455	71,021	1.3%	(24,700)	5,455,141	71,021	1.3%	0	5,634,848	133,109	2.4%	173,957	
Mixed Use	845,201	37,220	4.4%	19,057	920,051	33,816	3.7%	30,244	882,683	85,498	9.7%	(9,471)	882,683	86,462	9.8%	2,004
Neighborhood Center	2,183,497	89,537	4.1%	76,072	2,216,111	114,691	5.2%	(20,943)	2,818,209	149,720	5.3%	2,479	2,695,714	193,391	7.2%	(58,337)
Regional Center	2,087,941	307,000	14.7%	2,229	2,087,941	264,505	12.7%	42,495	2,087,941	408,971	19.6%	(94,552)	2,087,941	379,913	18.2%	(13,730)
Strip Center	1,933,627	89,510	4.6%	38,150	1,879,077	101,081	5.4%	(31,374)	1,788,527	71,572	4.0%	18,101	1,805,551	72,210	4.0%	(12,519)
<b>Total Retail</b>	<b>15,061,729</b>	<b>1,040,162</b>	<b>6.9%</b>	<b>451,912</b>	<b>15,168,220</b>	<b>1,033,072</b>	<b>6.8%</b>	<b>64,659</b>	<b>15,094,862</b>	<b>930,373</b>	<b>6.2%</b>	<b>(59,173)</b>	<b>15,161,394</b>	<b>1,036,560</b>	<b>6.8%</b>	<b>55,787</b>
<b>Southeast</b>																
Community Center	3,910,092	538,760	13.8%	10,155	3,743,983	557,372	14.9%	1,457	3,643,806	533,942	14.7%	39,049	3,342,689	494,180	14.8%	(58,705)
Freestanding/Big Box	12,193,569	86,350	0.7%	101,876	12,051,384	135,150	1.1%	(48,143)	12,116,310	149,650	1.2%	64,600	12,248,083	219,585	1.8%	(49,331)
Mixed Use	1,121,963	37,998	3.4%	24,889	1,203,083	60,432	5.0%	37,112	1,005,168	55,796	5.6%	3,534	1,005,408	85,125	8.5%	(14,895)
Neighborhood Center	5,131,883	487,624	9.5%	51,284	5,313,674	389,707	7.3%	100,366	5,972,271	404,061	6.8%	58,848	6,051,601	347,300	5.7%	88,674
Regional Center	1,089,341	243,465	22.3%	(14,719)	1,046,207	206,374	19.7%	18,943	609,991	206,374	33.8%	0	609,991	206,374	33.8%	0
Strip Center	3,455,588	312,588	9.0%	38,289	3,583,820	301,280	8.4%	38,408	3,057,701	169,314	5.5%	50,471	3,077,399	154,717	5.0%	9,305
<b>Total Retail</b>	<b>26,902,436</b>	<b>1,706,785</b>	<b>6.3%</b>	<b>211,774</b>	<b>26,942,151</b>	<b>1,650,315</b>	<b>6.1%</b>	<b>148,143</b>	<b>26,405,247</b>	<b>1,519,137</b>	<b>5.8%</b>	<b>216,502</b>	<b>26,335,171</b>	<b>1,507,281</b>	<b>5.7%</b>	<b>(24,952)</b>
<b>Northeast</b>																
Community Center	3,950,183	643,951	16.3%	43,512	3,866,753	484,704	12.5%	66,193	3,857,852	636,027	16.5%	(104,898)	3,726,040	504,034	13.5%	64,009
Freestanding/Big Box	12,612,048	729,713	5.8%	45,929	13,188,044	767,361	5.8%	141,322	13,380,978	674,510	5.0%	50,822	13,091,197	670,267	5.1%	72,500
Mixed Use	701,995	46,104	6.6%	22,535	644,385	44375	6.9%	(1,271)	602,868	52,285	8.7%	21,890	602,868	36,014	6.0%	6,771
Neighborhood Center	5,174,705	460,359	8.9%	18,463	5,024,584	535339	10.7%	(44,882)	5,383,981	501,521	9.3%	43,179	5,555,955	435,245	7.8%	53,048
Regional Center	3,227,849	310,519	9.6%	68,464	2,775,830	400,411	14.4%	(89,892)	2,725,830	390,121	14.3%	(163,182)	2,725,830	292,191	10.7%	(6,995)
Strip Center	3,536,222	247,390	7.0%	(8,501)	3,663,344	278,219	7.6%	(19,240)	3,248,774	210,302	6.5%	20,127	3,298,655	169,123	5.1%	41,860
<b>Total Retail</b>	<b>29,203,002</b>	<b>2,438,036</b>	<b>8.3%</b>	<b>190,402</b>	<b>29,162,940</b>	<b>2,510,409</b>	<b>8.6%</b>	<b>52,230</b>	<b>29,200,283</b>	<b>2,464,766</b>	<b>8.4%</b>	<b>(132,062)</b>	<b>29,000,545</b>	<b>2,106,874</b>	<b>7.3%</b>	<b>231,193</b>
<b>Northwest</b>																
Community Center	1,531,328	206,186	13.5%	(26,897)	1,596,314	178,206	11.2%	11,197	1,331,047	163,274	12.3%	5,330	1,331,047	144,298	10.8%	18,976
Freestanding/Big Box	5,460,269	273,636	5.0%	(64)	5,619,885	273,636	4.9%	49,938	5,648,555	518,610	9.2%	(203,975)	5,322,566	28,159	0.5%	223,933
Mixed Use	833,894	35,506	4.3%	10,107	865,245	36599	4.2%	305	844,122	40,265	4.8%	(8,276)	844,122	22,364	2.6%	17,901
Neighborhood Center	2,977,971	299,276	10.0%	119,548	3,196,756	339,224	10.6%	29,244	3,262,974	262,057	8.0%	285	3,262,974	240,986	7.4%	14,454
Strip Center	2,097,806	197,977	9.4%	22,680	2,076,721	123,305	5.9%	10,319	1,817,318	103,071	5.7%	2,604	1,969,305	153,776	7.8%	(4,996)
<b>Total Retail</b>	<b>12,901,268</b>	<b>1,012,581</b>	<b>7.8%</b>	<b>125,374</b>	<b>13,354,921</b>	<b>950,970</b>	<b>7.1%</b>	<b>101,003</b>	<b>12,904,016</b>	<b>1,087,277</b>	<b>8.4%</b>	<b>(204,032)</b>	<b>12,730,014</b>	<b>589,583</b>	<b>4.6%</b>	<b>270,268</b>
<b>Minneapolis CBD</b>																
Community Center	147,643	1,296	0.9%	3,245	1,296	1296	0.9%	0	147,643	0	0.0%	1,296	147,643	0	0.0%	0
Freestanding/Big Box	273,416	-	0.0%	0	0	0	0.0%	0	273,416	0	0.0%	0	273,416	0	0.0%	0
Mixed Use	2,765,562	846,117	30.6%	(119,777)	848,348	931,807	32.8%	(35,377)	2,876,471	935,170	32.5%	(27,811)	2,773,817	945,848	34.1%	19,074
Strip Center	18,520	-	0.0%	0	0	0	0.0%	0	18,520	5,206	28.1%	(5,206)	18,520	2,269	12.3%	2,937
<b>Total Retail</b>	<b>3,205,141</b>	<b>847,413</b>	<b>26.4%</b>	<b>(116,532)</b>	<b>849,644</b>	<b>933,103</b>	<b>28.4%</b>	<b>(35,377)</b>	<b>3,316,050</b>	<b>940,376</b>	<b>28.4%</b>	<b>(31,721)</b>	<b>3,213,396</b>	<b>948,117</b>	<b>29.5%</b>	<b>22,011</b>
<b>St. Paul CBD</b>																
Mixed Use	631,927	79,001	12.5%	(684)	568,156	81989	14.4%	(11,703)	539,043	84,528	15.7%	(2,539)	539,043	91,057	16.9%	7,274
<b>Total Retail</b>	<b>631,927</b>	<b>79,001</b>	<b>12.5%</b>	<b>(684)</b>	<b>568,156</b>	<b>81,989</b>	<b>14.4%</b>	<b>(11,703)</b>	<b>539,043</b>	<b>84,528</b>	<b>15.7%</b>	<b>(2,539)</b>	<b>539,043</b>	<b>91,057</b>	<b>16.9%</b>	<b>7,274</b>
<b>Metro Total</b>	<b>94,514,744</b>	<b>7,731,801</b>	<b>8.2%</b>	<b>901,392</b>	<b>92,669,040</b>	<b>7,600,716</b>	<b>8.2%</b>	<b>501,096</b>	<b>94,087,453</b>	<b>7,550,393</b>	<b>8.0%</b>	<b>(337,505)</b>	<b>93,639,032</b>	<b>6,794,805</b>	<b>7.3%</b>	<b>587,599</b>

Twin Cities Retail Rental Rates (NNN), 2021-2024 (year end)					
Source: MN-CAR/Moody's					
Submarket / Property Type	Q4 2021	Q4 2022	Q4 2023	Q4 2024	3 Year Rent Growth (2021-2024)
<b>West</b>					
Community Center	N/A	N/A	N/A	N/A	N/A
Freestanding/Big Box	N/A	N/A	N/A	N/A	N/A
Mixed Use	N/A	\$9.82	N/A	\$35.50	N/A
Neighborhood Center	\$12.75	\$13.17	\$14.39	\$12.00	-5.9%
Regional Center	N/A	N/A	N/A	N/A	N/A
Strip Center	\$20.20	\$22.00	\$18.50	\$22.00	8.9%
<b>Total Retail</b>	<b>\$16.47</b>	<b>\$14.26</b>	<b>\$16.44</b>	<b>\$23.40</b>	<b>42.1%</b>
<b>Southwest</b>					
Community Center	N/A	N/A	N/A	N/A	N/A
Freestanding/Big Box	N/A	N/A	N/A	N/A	N/A
Mixed Use	\$24.92	\$22.93	\$17.50	\$20.00	-19.7%
Neighborhood Center	\$17.83	\$17.13	\$16.50	\$18.50	3.8%
Regional Center	N/A	N/A	N/A	N/A	N/A
Strip Center	\$19.13	\$19.25	\$21.71	\$22.28	16.5%
<b>Total Retail</b>	<b>\$20.94</b>	<b>\$20.16</b>	<b>\$20.00</b>	<b>\$21.19</b>	<b>1.2%</b>
<b>Southeast</b>					
Community Center	\$16.50	\$17.00	N/A	N/A	N/A
Freestanding/Big Box	\$11.00	\$11.00	\$11.00	\$11.00	0.0%
Mixed Use	\$15.33	\$16.00	\$16.50	\$16.68	8.8%
Neighborhood Center	\$17.18	\$16.75	\$15.17	\$14.83	-13.7%
Regional Center	N/A	N/A	N/A	N/A	N/A
Strip Center	\$16.95	\$17.53	\$20.17	\$20.05	18.3%
<b>Total Retail</b>	<b>\$16.65</b>	<b>\$16.85</b>	<b>\$17.99</b>	<b>\$17.45</b>	<b>4.8%</b>
<b>Northeast</b>					
Community Center	\$8.00	\$8.00	\$8.00	\$8.00	0.0%
Freestanding/Big Box	\$10.00	\$10.00	N/A	N/A	N/A
Mixed Use	\$16.31	\$17.58	\$17.25	\$17.67	8.3%
Neighborhood Center	\$13.33	\$11.19	\$11.42	\$11.50	-13.7%
Regional Center	N/A	N/A	N/A	N/A	N/A
Strip Center	\$16.64	\$15.58	\$18.42	\$16.65	0.1%
<b>Total Retail</b>	<b>\$15.56</b>	<b>\$14.26</b>	<b>\$15.00</b>	<b>\$15.41</b>	<b>-1.0%</b>
<b>Northwest</b>					
Community Center	N/A	N/A	\$15.00	N/A	N/A
Freestanding/Big Box	N/A	N/A	N/A	\$28.00	N/A
Mixed Use	\$15.00	\$15.00	\$15.00	\$15.00	0.0%
Neighborhood Center	\$11.17	\$10.75	\$19.00	\$17.00	52.2%
Strip Center	\$19.50	\$19.23	\$20.15	\$24.00	23.1%
<b>Total Retail</b>	<b>\$17.66</b>	<b>\$17.71</b>	<b>\$19.39</b>	<b>\$22.54</b>	<b>27.6%</b>
<b>Minneapolis CBD</b>					
Community Center	N/A	N/A	N/A	N/A	N/A
Freestanding/Big Box	N/A	N/A	N/A	N/A	N/A
Mixed Use	\$25.30	\$24.44	\$23.03	\$21.82	-13.8%
Strip Center	N/A	N/A	N/A	N/A	N/A
<b>Total Retail</b>	<b>\$25.30</b>	<b>\$24.44</b>	<b>\$23.03</b>	<b>\$21.82</b>	<b>-13.8%</b>
<b>St. Paul CBD</b>					
Mixed Use	\$11.17	\$11.17	\$11.17	\$14.25	27.6%
<b>Total Retail</b>	<b>\$11.17</b>	<b>\$11.17</b>	<b>\$11.17</b>	<b>\$14.25</b>	<b>27.6%</b>
<b>Metro Total</b>	<b>\$17.98</b>	<b>\$17.44</b>	<b>\$18.35</b>	<b>\$19.11</b>	<b>6.3%</b>

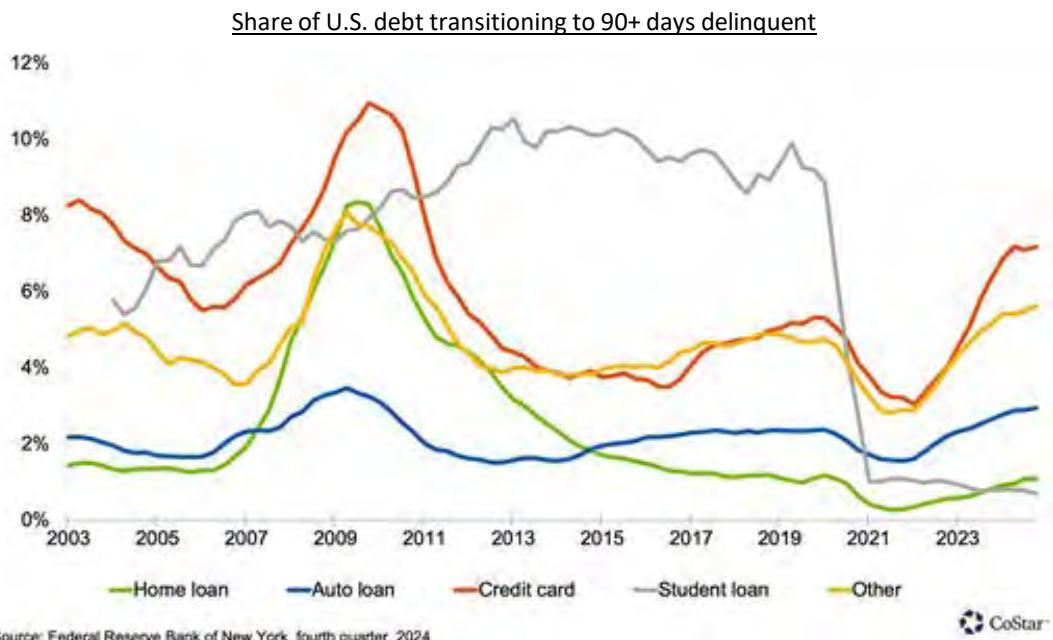
Note: All Asking Rates shown are based on advertised rates for available spaces

Twin Cities Retail Market Conditions -- 2024 Q4								
Property Type	# of Properties	Inventory (SF)	Total Vacancy	% Vacant	Under Const.	Annual Absorption (Net)	Avg. Rent	
Community Center	68	10,997,485	1,449,327	13.2%	0	(11,308)	\$18.91	
Freestanding/Big Box	599	38,246,254	1,079,018	2.8%	216,450	421,059	\$28.04	
Mixed-Use	198	7,172,094	1,367,938	19.1%	14,400	38,458	\$23.00	
Neighborhood Center	338	19,089,185	1,347,189	7.1%	0	112,618	\$19.18	
Regional Center	9	7,018,869	915,137	13.0%	0	(18,781)	N/A	
Strip Center	723	11,115,145	636,196	5.7%	33,002	45,553	\$25.63	
Grand Total	1,935	93,639,032	6,794,805	7.3%	263,852	587,599	\$19.11	

Source: MN-CAR; Moody's

- **Demand outpaces retail construction in 2024, prompting a decline in vacancy** – Net absorption totaled 587,599 sf for the year. Among the property types, strip centers and community centers saw the strongest gains in occupancy for the year. Meanwhile, construction has slowed considerably for a variety of reasons, including uncertainty in several retail sectors and challenging development economics, with rising construction costs and higher interest rates. Retail developers indicate rents of at least \$45+ psf are required to support new construction, while few markets will support these rents. Only 263,852 sf of new retail space was under construction in the metro area at year end. With this surge in demand and slow-down in construction, vacancy declined from 8.0% a year ago to 7.3% at the end of 2024.
- **Suburban markets outperforming the central cities** – A recent survey by Colliers indicates that suburban retail vacancy fell to just 4.5%, compared to 13.8% in the central cities of Minneapolis and St. Paul. With a tightening in most markets, landlords are becoming more aggressive on rents, with many proposing increases of 4% on renewals. However, there is considerable bifurcation across markets and by property, depending on factors such as center quality, tenant mix/dynamics and market demographics.
- **Most centers in Minnetonka and throughout the West metro submarket report low vacancy** – Benefiting from strong market demographics, retail in the West submarket, on the whole, has performed quite well, with most centers reporting very low vacancy. This is also the case in Minnetonka, where Ridgedale occupancy remains high and the city's various strip centers and community centers continue to perform quite well. However, it is important to note a few significant vacancies in Minnetonka, including the following:
  - **Westridge Market – 260,000 total sf; 52% vacant (134,000 sf).** Current availabilities include the vacated Dick's Sporting Goods and Bed, Bath & Beyond stores. Staples is also expected to vacate its 19,000-sf store here, although Barnes & Noble has announced it will move into this space.
  - **Office Depot Plaza – 65,000 total sf; 23% vacant (15,000 sf).** This center is comprised of Whole Foods and Office Depot – recent downsizing by Office Depot has created a 15,000 sf vacancy.

- **Ridgewood Center – 31,000 total sf; 39% vacant (12,000 sf).** This strip center located on the south frontage road west of Ridgedale includes three tenant spaces with Fed Ex Office and Petco on the ends and a 12,000 sf vacancy in the center.
- **Ridgehaven Marketplace – 141,000 total sf. Currently 100% occupied, but 26,000 sf sublease available** with pending Barnes & Noble move to Westridge Marketplace.
- **Retail Rents** – Retail rental rates vary considerably across the Twin Cities market – variables include the tenant's national exposure and credit-worthiness, as well as the age & quality of the property, co-tenancy, and site & neighborhood factors. For instance, large national credit tenants often pay well in excess of \$45 psf, while local hardware stores often pay \$6 - \$10 per square foot. Most retail asking rates are published as 'negotiable', making it hard to analyze historical trends. Further, reported averages are held down by the fact that they are only based on current surveys of available space (which are typically the least desirable remaining vacancies) and do not account for higher "in-place" rents paid by existing tenants. As with the office analysis, however, it is very much worth noting the positive trend in "asking" rents which are trending upward with landlords becoming more aggressive on renewals. The most recent MN-CAR/Moody's report indicates that the average "asking" rent for retail spaces was +4.1% over the past year and +6.3% over three years.
- **Signs of consumer stress beginning to emerge in the U.S. economy** -- Consumer spending surged in the post-pandemic era, correlating initially with "pent up" demand and excess savings rates tied to government stimulus payments, greatly benefiting U.S. retailers. Consumer spending has since been resilient, buoyed by a strong job market and personal income growth. More recently, however, we've seen some deterioration in consumer fundamentals which could impact U.S. retail property markets if these trends persist.
  - **Rising delinquency rates on consumer loans** -- U.S. household balance sheets remain stronger than pre-pandemic levels, mostly due to historically low mortgage and student loan delinquency rates. However, delinquency rates on credit cards, auto loans and other consumer loans have risen sharply. The New York Federal Reserve reported that the share of credit card, auto loan and other personal loan balances entering serious delinquency, defined as 90 days or more overdue, reached decade-long highs at the end of 2024.
  - Meanwhile, credit card interest rates remain at a record high level, averaging 21.5% nationally compared to the pre-pandemic average of 13.6% from 2016-2019.

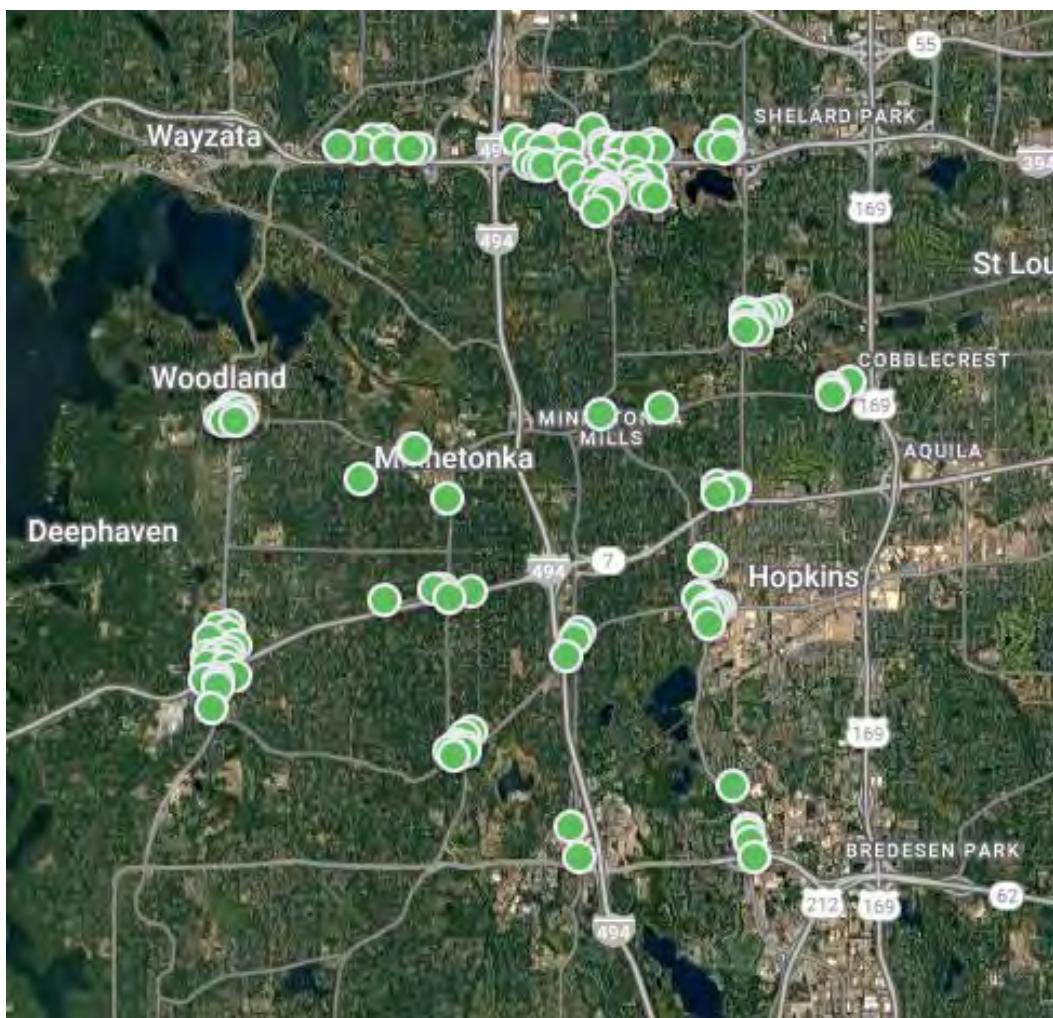


- **Weakening retail sales data and consumer sentiment** – January 2025 retail sales were -0.9% from December 2024, representing the largest monthly decline in nearly two years. More recently, consumer sentiment in February 2025 declined to the lowest level since November 2023 and inflation expectations are on the rise as consumers are showing increasing concern about tariffs and the impact on the price of goods in the U.S.
- The trend data indicates that consumers are becoming more cautious, with many spending less on goods & services. This is likely to continue to impact retail sales in the short term and ultimately the demand for retail real estate over the longer term if these trends persist.

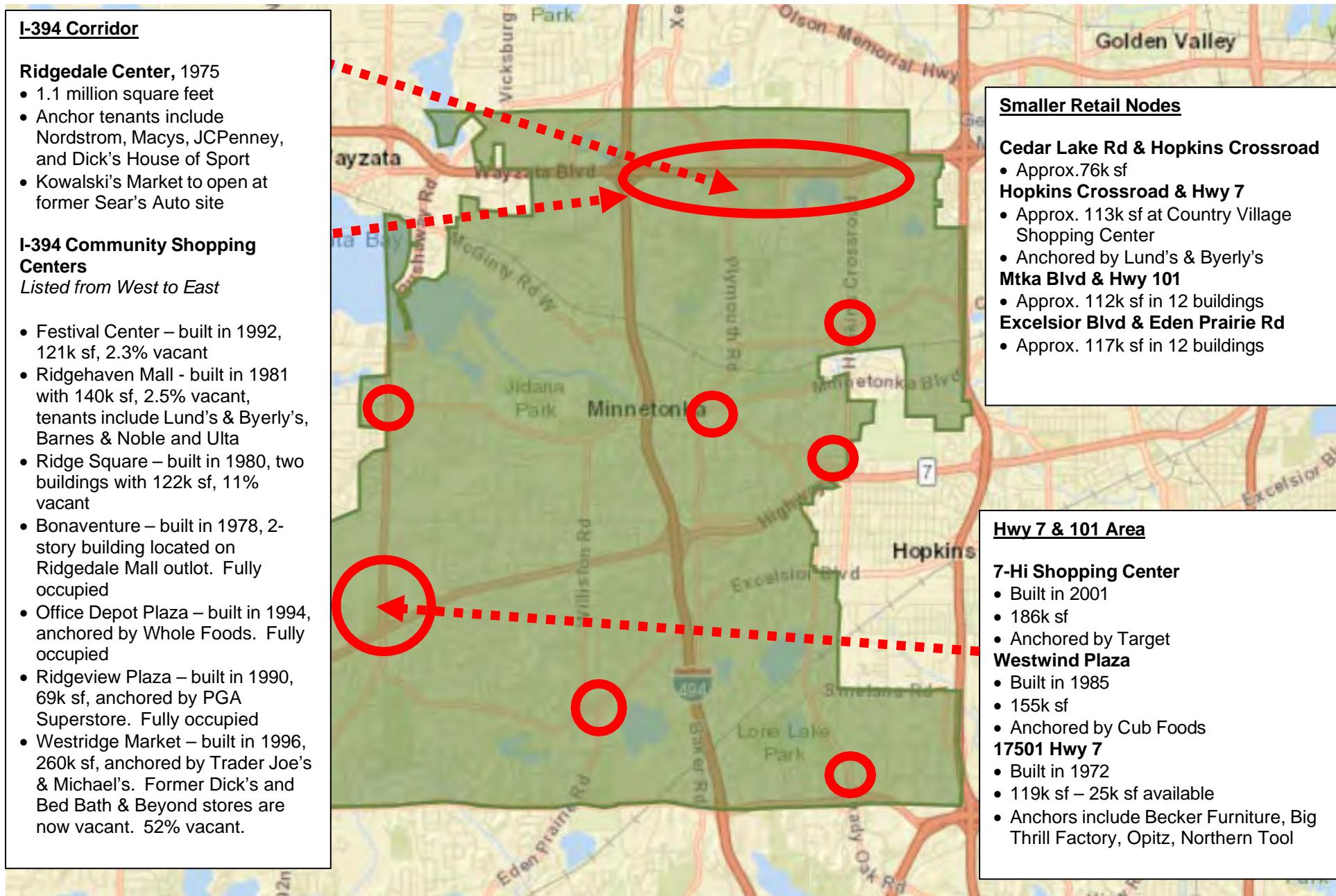
### **Minnetonka Retail Centers**

The map at right displays Minnetonka retail properties as listed on the Minnesota Commercial Association of Realtors' (MNCAR) database. This includes Regional and Community Shopping Centers, as well as smaller Neighborhood "Strip" Centers. Buildings with less than 10,000 square feet, gas stations, car dealerships, and other specialty services have been excluded from the sampling. In total, Minnetonka has a base of about 3.2 million square feet of shopping center space, comprising approximately 4% of the Twin Cities total inventory. Most of Minnetonka's retail centers were built between 1970 and 1995. Ridgedale Center anchors the west-metro retail market, with 1.1 million sf. The I-394 corridor, including Ridgedale and other smaller community and neighborhood centers account for about 60% of the City's retail base.

**Minnetonka Retail Centers**



## Primary Minnetonka Retail Areas



<b>Retail Market Metrics -- Minnetonka &amp; Peer Cities Comparison</b>			
<b>City</b>	<b>Total SF</b>	<b>Vacant SF</b>	<b>Vacancy</b>
Minnetonka	3,258,758	267,725	8.2%
Plymouth	2,357,535	23,854	1.0%
Eden Prairie	2,113,618	77,050	3.6%
St. Louis Park	1,444,532	178,005	12.3%
Maple Grove	2,429,501	217,905	9.0%
Woodbury	2,371,694	229,121	9.2%
Blaine	1,961,079	170,877	8.7%

**Source: MN-CAR/Moody's**

### I-394 Corridor

This area contains approximately 2.0 million square feet of retail space. Current vacancy at Ridgedale Center is approximately 30,000 sf, or about 2.6%.

Other shopping centers in this area feature approximately 900,000 sf. Combined vacancy at the other 394-corridor area centers is approximately 170,000 sf (19%) – however, 135,000 sf of this vacancy is at a single property, that being Westridge Market, while other properties report very low vacancy.

### Ridgedale Center

- Constructed in 1975
- Total mall square footage is 1,144,973 square feet; vacancy 2.6%
- Four anchor tenants include Nordstrom, Macys, JCPenney, and Dick's House of Sport
- 121 additional tenant spaces with 334,000 sf
- Very successful regional mall - primary shopping destination in the west metro area
- Ridgedale has seen considerable infill and redevelopment activity incorporating a variety of retail, entertainment and residential uses. Examples include:
  - Avidor Apts – west of mall
  - Retail/restaurant concepts/pad sites – west and NW of mall
  - iFly Mpls – NW of mall
  - Minnetonka Farmer's Market – SW of mall
  - Kowalski's Market – to open at former Sears Auto site

### Community Centers along I-394

*Listed from West to East*

- Ridgewood Center
  - Built in
  - 32,000 sf, 38% vacant

- Three tenant spaces – Fed Ex/Office, Petco, plus a 12,000 sf vacancy in the center of the building
- Ridgedale Festival Center
  - Built in 1992
  - 121,000 square feet, 2.3% vacant.
  - Major tenants include Hobby Lobby, Total Wine & More, and Pure Hockey.
- Ridgehaven Marketplace
  - Built in 1982
  - 140,000 square feet (excluding attached Target), 2.5% vacant.
  - Barnes & Noble 26,000 sf will become available following move to Westridge Market.
  - Anchors include Lund's & Byerly's, Barnes & Noble, and Ulta
- Ridge Square
  - Built in 1980 and 1982
  - Two buildings with 122,000 square feet, 11% vacant
- Bonaventure
  - Built in 1978
  - 2-story building located on Ridgedale Center outlot
  - 95,000 square feet, fully-occupied
- Office Depot Plaza
  - Built in 1994, anchored by Whole Foods and Office Depot
  - 65,000 total square feet, 23% vacant
  - 15,000-sf available following recent Office Depot downsizing
- Ridgeview Plaza
  - Built in 1990
  - 69,000 square feet, fully-occupied
  - Anchored by PGA Superstore & West Marine
- Westridge Market
  - Built in 1996
  - 260,000 square feet, 52% vacant. Vacancies include former Dick's Sporting Goods (101,000 sf) and Bed, Bath & Beyond (34,000 sf).
  - Anchored by Traders Joe's, Michaels, and Staples. Other significant tenants include BLVD Kitchen & Bar and Land's End.
  - Staples to close and will reportedly be replaced by Barnes & Noble

#### Hwy-7 Corridor, Minnetonka Portion

This intersection contains approximately 536,000 square feet of retail space. The vacancy rate for this area is approximately 4.5%.

- 7-Hi Shopping Center
  - Built in 2001

- 269,000 square feet including the Super Target
- Westwind Plaza
  - Built in 1985
  - 155,000 square feet in two buildings
  - Anchored by Cub Foods
- 17501 Highway 7
  - Built in 1972, 155,000 square feet. 25,000 sf currently available.
  - Former K-Mart, repositioned to include Becker Furniture, Big Thrill Factory, Opitz, and Northern Tool. Pad sites being marketed, but minimal interest to date

### **Smaller Retail Nodes in Minnetonka**

- Cedar Lake Road & Hopkins Crossroad
  - Approximately 76,000 square feet in 4 buildings. 11% vacant
  - Aldi functions as an anchor here at the NE corner of Cedar Lake Rd & Hopkins Crossroad
  - Current vacancy includes just over 8,000 sf out of 32,000 total sf at the Cedar Hills Shopping Center. This includes the former Lonespur Grill space.
- Country Village Center -- Minnetonka Boulevard & Highway 7
  - Approximately 112,000 square feet. Fully occupied.
  - Anchored by Lund's & Byerly's Market
- Minnetonka Boulevard & Plymouth Road
  - Approximately 11,000 square feet in 4 buildings. Fully occupied.
  - People's Organic, Station Pizzeria, and Dairy Queen
- Minnetonka Boulevard & Highway 101
  - Approximately 100,000 square feet in this area. Fully occupied.
  - This area includes Minnetonka Tennis Club and Lifetime Fitness
  - Significant retail and restaurant tenants include Lakewinds Co-op, along with popular west metro restaurants Spasso and Snuffy's Malt Shop
- Excelsior Boulevard
  - Approximately 70,000 square feet in 3 properties. 2.5% vacancy.
  - Glen Lake Village includes Lund's & Byerly's grocery store
- Shady Oak Road & Highway 7
  - Approximately 134,000 square feet in this area. Fully occupied.
  - Shopping Centers include Sundial Center, Excelsior Plaza, and Minnetonka Crossing

### **Retail Market: Key Conclusions**

The following are key points from our analysis of the retail market environment in Minnetonka:

- Minnetonka features approximately 3.2 million sf of rentable retail space, with a reported 8.2% vacancy rate at year-end 2024. Nearly 2/3 of the city's retail space is situated along the I-394 corridor, including the 1.1 million sf Ridgedale Center.
- Minnetonka has an overall strong retail market despite some large and challenging individual property vacancies. Ridgedale Center is the primary regional mall serving the west metro area. The property maintains a high occupancy level and has made considerable investment over time. Most of the city's neighborhood and community shopping centers are also performing well -- the most notable exception is the Westridge Market, which has two large vacancies totaling 135,000 sf following the loss of anchor tenants Dick's Sporting Goods and Bed, Bath & Beyond.
- There are very few, if any suitable undeveloped sites available for new retail development in the city. Minnetonka's retail space will increase by way of redevelopment, infill development (e.g. retail infill in under-utilized parking lots or created pad sites adjoining existing retail), and with the addition of street-level retail in mixed use developments along with multifamily housing. The area around Ridgedale is the prime example, having seen all of the above as this area is an increasingly dynamic shopping-entertainment-and residential district.
- As most of Minnetonka's shopping centers are performing well, we do not anticipate redevelopment in the short-term. While smaller centers such as Cedar Hills and Ridgewood currently have some challenging vacancies where re-leasing could require an extended period, we do not anticipate a land use change. However, it's important to note that we do not have knowledge of ownership objectives or existing debt in either circumstance, which could obviously impact the approach here and with other properties throughout the city.
- While there are signs of increasing consumer stress throughout the U.S. (such as rising credit card and consumer loan default rates and declining consumer sentiment with persistent concerns about inflation), Minnetonka is somewhat more resilient based on strong local and west metro demographics. Further, while retail sales could very well be negatively impacted in the short term as consumers tighten their belts, it will take more time for these trends to impact retail property markets, and Minnetonka is currently in a strong position as most shopping centers currently report very low vacancy rates.

**APPENDIX:**  
**Minnetonka Commercial Property Data**

**Minnetonka Industrial Properties**  
**January 2025**

<b>Name</b>	<b>Address</b>	<b>Type</b>	<b>Total SF</b>	<b>Land Acres</b>	<b>Year Built</b>	<b>Legal Owner</b>
10201 Bren Rd E	10201 Bren Rd E	Warehouse/Office	19,600	3.00	1974	United HealthCare Services, Inc
10300 10320 Bren Rd E	10300 10320 Bren Rd E	Warehouse/Office	50,082	3.94	1981	OP PROPERTIES LLC
10301 Bren Rd W	10301 Bren Rd W	Warehouse/Office	232,646	19.86	1977	Bren Trail Holdings LLC
10601 Red Circle Dr	10601 Red Circle Dr	Warehouse/Office	10,601	1.21	1977	CPI INVESTMENTS LLC
10701 Red Cir Dr	10701 Red Cir Dr	Warehouse/Office	29,981	2.90	1976	10701 RED CIRCLE LLC
10825 Greenbrier Rd	10825 Greenbrier Rd	Warehouse/Office	32,388	2.96	1988	JAY & GLENN CARLSON PROP
11300 K Tel Dr	11300 K Tel Dr	Warehouse/Office	58,459	3.48	1974	STONEYBROOK INVESTMENTS LLC
11300 W 47th St	11300 W 47th St	Warehouse/Office	21,692	2.12	1955	ROTH CORPORATION
11301 Excelsior Blvd	11301 Excelsior Blvd	Light Industrial	9,419	1.18	1963	METROPOLITAN COUNCIL
11303 Excelsior Blvd	11303 Excelsior Blvd	Warehouse/Office	7,185	0.62	1910	BPR LLC
11311 K Tel Dr	11311 K Tel Dr	Warehouse/Office	115,110	5.78	1974	LIIMA, LLC
11400 K Tel Dr	11400 K Tel Dr	Warehouse/Office	70,800	3.55	1974	STONEYBROOK INVESTMENTS LLC
11401 Cty Rd 3	11401 Cty Rd 3	Warehouse/Office	26,444	4.20	1966	GLACIER PROPERTIES LLC
11421 W 47th St	11421 W 47th St	Warehouse/Office	12,600	1.75	1965	CEMENSKI PROPERTIES LLC
12475 Marion Ln W	12475 Marion Ln W	Light Industrial	4,482	0.41	1965	JKT PROPERTIES II LLC
14850 Deveau Pl	14850 Deveau Pl	Warehouse/Office	34,590	2.18	1983	14850 DEVEAU LLC
14851 Deveau Pl	14851 Deveau Pl	Warehouse/Office	39,386	2.37	1984	Virtus Minnetonka LS, LLC
14901 Deveau Pl	14901 Deveau Pl	Warehouse/Office	63,713	6.06	1986	Virtus Minnetonka LS, LLC
14901 Minnetonka Industrial Rd	14901 Minnetonka Industrial Rd	Light Industrial	25,000	2.01	1967	LMJH LLC
15075 Minnetonka Industrial Rd	15075 Minnetonka Industrial Rd	Warehouse/Office	21,720	2.44	1969	STEINGAS, DAVID FREDERICK
15350 Minnetonka Blvd	15350 Minnetonka Blvd	Warehouse/Office	5,888	1.73	1987	B S EQUITY LLC
17717 Hwy 7	17717 Hwy 7	Warehouse/Office	6,984	1.09	1968	MINNETONKA WATER SPORTS LLC
3700 3790 Williston Rd	3700 Williston Rd	Warehouse/Office	174,965	10.48	1975	Virtus Minnetonka LS, LLC
5101 Shady Oak Rd	5101 Shady Oak Rd	Warehouse/Office	117,850	15.95	1977	THOMAS EDWARD LTD PTNSHP
5401 Opportunity Ct	5401 Opportunity Ct	Warehouse/Office	53,902	3.70	1968	OPPORTUNITY COURT LLC
5451 Smetana Dr	5451 Smetana Dr	Warehouse/Office	15,622	1.37	1978	HEARTHSIDE PROPERTIES LLC
5501 Feltl Rd	5501 Feltl Rd	Flex/R&D	27,320	2.74	1995	BEAM PROPERTIES LLC
5501 Opportunity Ct	5501 Opportunity Ct	Warehouse/Office	36,094	4.09	1966	5501 OPPORTUNITY LLC
5550 Smetana Dr	5550 Smetana Dr	Flex/R&D	32,176	2.31	1970	Edina Commercial LLC
5570 Smetana Dr	5570 Smetana Dr	Warehouse/Office	19,750	2.18	1997	TAHER REAL ESTATE LLC
5640 5642 Feltl Rd	5640 5642 Feltl Rd	Warehouse/Office	10,860	1.11	1978	Rendahl Holding LLC
5700 5710 Baker Rd	5700 5710 Baker Rd	Warehouse/Office	41,710	4.94	1988	MOTE ENTERPRISES LLC
5801 Clearwater Drive	5801 Clearwater Drive	Flex/R&D	87,338	6.83		FELDBAUM FAMILY L L P
6016 Blue Cir Dr	6016 Blue Cir Dr	Warehouse/Office	4,300	0.11	1975	ST JOSEPH COMPANY LLC
6018 Blue Circle Dr	6018 Blue Circle Dr	Light Industrial	9,952	0.23	1975	ST JOSEPH COMPANY LLC
6020 6024 Culligan Way	6020 6024 Culligan Way	Warehouse/Office	25,860	2.07	1979	MJ&T PROPERTIES LLC
6020 Blue Circle Dr	6020 Blue Circle Dr	Warehouse/Office	9,764	0.22	1975	See attached CREV Doc. Page 1
6031 6035 Culligan Way	6031 6035 Culligan Way	Warehouse/Office	35,109	2.72	1985	JZ Investment LLC
6035 6037 Baker Rd	6035 6037 Baker Rd	Flex/R&D	44,125	5.07	1982	Baker Executive Offices LLC
6040 Clearwater Drive	6040 Clearwater Drive	Warehouse/Distribution	267,574	29.38		OSMONICS INC
6100 Baker Rd	6100 Baker Rd	Warehouse/Office	23,146	2.89	1982	KP Vinje, LLC
6100 Blue Circle Dr	6100 Blue Circle Dr	Manufacturing	41,790	4.75	1976	PRECISION PUNCH & PLASTICS
6103 Blue Cir Dr	6103 Blue Cir Dr	Warehouse/Office	30,872	4.90	1996	DURAG INC
6105 Yellow Circle Extension	6105 Yellow Cir Dr	Warehouse/Office	60,061	5.34	1992	NORMARK CORP
6130 Blue Circle Dr	6130 Blue Circle Dr.	Warehouse/Office	30,162	2.40	1977	6130 BLUE CIRCLE LLC
801 Twelve Oaks Center Dr	801 Twelve Oaks Center Dr	Light Industrial	38,016	5.20	1978	TWELVE OAKS LTD PTNRSHP
801 Twelve Oaks Center Dr	801 Twelve Oaks Center Dr	Light Industrial	38,016	5.20	1978	TWELVE OAKS LTD PTNRSHP
Baker Point Building Bldg 5900	5900 Baker Rd	Flex/R&D	30,120	2.42	1988	Heelan Properties LLC
Baker Tech Bldg I	6121 Baker Rd	Flex/R&D	60,499	8.13	1985	Baker Tech Property Llc
Baker Tech Bldg II	6101 Baker Rd	Flex/R&D	38,924	8.13	1985	BAKER TECH PROPERTY LLC
Baker Tech Bldg III	5959 Baker Rd	Flex/R&D	26,601	12.14	1985	Baker Tech Property Llc
Baker Tech Bldg IV	5929 Baker Rd	Flex/R&D	72,330	12.14	1985	BAKER TECH PROPERTY LLC
Baker Tech Bldg V	5909 Baker Rd	Flex/R&D	54,529	12.14	1985	Baker Tech Property Llc
Carlson Business Center I	111 Cheshire Ln	Flex/R&D	54,707	8.61	1996	WPT CHESHIRE LANE LP
Carlson Business Center II	121 Cheshire Ln	Flex/R&D	91,618	5.41	1996	WPT CHESHIRE LANE LP
Carlson Business Center III	131 Cheshire Ln N	Flex/R&D	91,549	6.95	1996	WPT CHESHIRE LANE LP
Cedar 73 Business Center Bldg #3	2800 2814 Hedberg Dr	Flex/R&D	27,889	2.00	1980	ACKY MINNETONKA LTD PRTSHP
Cedar 73 Business Center Bldg 1	11111 11181 Greenbrier Rd	Warehouse/Office	33,961	2.52		ACKY MINNETONKA LTD PRTSHP
Cedar 73 Business Center Bldg 4	2849 2863 Hedberg Dr	Flex/R&D	29,134	4.60	1986	Acky Minnetonka Ltd Prtshp
Cedar 73 Business Center Bldg 5	2835 2845 Hedberg Dr	Flex/R&D	21,745	4.60	1986	ACKY MINNETONKA LTD PRTSHP
Cedar 73 Business Park Bldg 2	2828 2838 Hedberg Dr	Flex/R&D	18,037	2.00	1977	ACKY MINNETONKA LTD PRTSHP
Culligan Business Center	6001 Culligan Way	Warehouse/Office	63,533	4.93		DPS Wooddale, LLC

*(continued)*

**Minnetonka Industrial Properties**  
January 2025

<u>Name</u>	<u>Address</u>	<u>Type</u>	<u>Total SF</u>	<u>Land Acres</u>	<u>Year Built</u>	<u>Legal Owner</u>
Encore Business Park II Bldg A	11572 11596 K Tel Dr	Flex/R&D	55,452	3.03	1983	ENCORE PARK ASSOCIATES
Encore Business Park II Bldg B	11545 11581 Encore Cir	Flex/R&D	52,331	2.57	1983	ENCORE PARK ASSOC
Encore Business Park II Bldg C	11550 11578 Encore Cir	Flex/R&D	44,922	2.65	1982	ENCORE PARK ASSOCIATES
Encore Business Park II Bldg D	11504 11524 K Tel Dr	Flex/R&D	28,271	1.59	1982	ENCORE PARK ASSOC
Encore Park	11501 11571 K Tel Dr	Flex/R&D	30,944	14.51	1978	500 NORTH ROBERT LTD PTRSHP
Encore Park	11501 11555 K Tel Dr	Flex/R&D	64,219	13.06	1978	Big River Encore Park, LLC
Encore Park	11501 11585 11501 K Tel Dr	Flex/R&D	31,676	14.51	1978	500 NORTH ROBERT LTD PTRSHP
Engineered Products	5401 Smetana Dr	Warehouse/Office	64,706	6.01	1977	DWL PROPERTIES LLC
Feltl Road Business Center	5450 Feltl Rd	Flex/R&D	93,763	15.54	1985	YOSEMITE DC ASSETS LLC
Feltl Road Business Center	5420 Feltl Rd	Flex/R&D	18,866	15.54		YOSEMITE DC ASSETS LLC
Feltl Road Business Center	5500 Feltl Rd	Flex/R&D	28,110	15.54		YOSEMITE DC ASSETS LLC
Goebel Fixtures & Environments	13600 County Road 62	Manufacturing	69,984	4.88	1996	J & R MINNETONKA LLC
MINCO 225	15225 15305 Minnetonka Blvd	Flex/R&D	63,731	4.41	1997	Minnetonka Industrial Portfolio, LLC
MINCO 300	15300 15324 Minnetonka Industrial Rd	Warehouse/Office	67,083	8.08	1971	Minnetonka Industrial Portfolio, LLC
MINCO 400	15400 15414 Minnetonka Industrial Rd	Warehouse/Office	41,890	8.08	1971	Minnetonka Industrial Portfolio, LLC
Minnetonka Corporate Center	5900 5950 Clearwater Dr	Flex/R&D	94,561	8.39	1984	WinPark Associates, LLC
Minnetonka East Business Center	10901 10953 E Bren Rd	Flex/R&D	78,261	9.09	1984	LYN JAMES LLC
Minnetonka Technology Center	5421 Feltl Rd	Flex/R&D	27,268	2.56	1997	OFFICE WAREHOUSE DEVEL LLC
Olympic Companies Inc	2823 Hedberg	Warehouse/Office	19,036	3.32	1977	AGCO INC
Opportunity Partners	5500 Opportunity Ct	Flex/R&D	112,526	8.10	1976	OPPORTUNITY WORKSHOP INC
Rowland Pond Center I	5600 Rowland Rd	Flex/R&D	68,703	16.67	1988	G&I X Med Tech Rowland LLC
Rowland Pond Center II	5610 Rowland Rd	Flex/R&D	51,013	16.47	1988	G&I X Med Tech Rowland LLC
Rubus Station	10900 Red Circle Dr	Flex/R&D	104,647	7.46	1982	Rubus Station, LLC
Schoenfelder Painting, Inc	6022 Blue Circle Dr	Warehouse/Office	8,196	0.20	1975	SCHOENFELDER MARK J
Sierra Corporation	11400 47th St W	Warehouse/Office	26,079	1.97	1961	INDUSTRAL LEASE II PROPCO LLC
Signature Business Center	4777 Shady Oak Road	Flex/R&D	47,460	3.53		STONEYBROOK INVESTMENTS LLC
SkyRidge Business Center + Nature Preserve	5850 5870 Baker Rd	Warehouse/Office	48,474	4.51	1995	SKYRIDGE 1 LLC
tgbBrands	15101 Minnetonka Industrial Rd	Warehouse/Office	52,616	2.74	1973	CREEKWOOD INVESTMENTS LLC
The Sierra Corporation	11401 47th W St	Manufacturing	21,609	0.95	1975	INDUSTRAL LEASE II PROPCO LLC
Toy Tech	11301 47th St W	Warehouse/Office	24,634	1.86	1961	INDUSTRAL LEASE II PROPCO LLC
Westonka Business Center	15000 15102 Minnetonka Industrial Rd	Warehouse/Office	76,174	4.25	1969	CONTINENTAL WESTONKA LLC
Whitewater Corporate Center	12500 Whitewater Drive	Flex/R&D	75,785	5.93		WHITEWATER PROPERTIES I LLC
Whitewater Plaza	12400 Whitewater Dr	Flex/R&D	65,198	6.25	1984	Shree Investments LLC Et Al
Williston Business Center 6	3792 Williston Rd	Flex/R&D	39,851	2.47	1984	MGA 2 LLC
<b>Total</b>			<b>4,688,319</b>			

Sources: Colliers; MN-CAR

**January 2025**

<b>Name</b>	<b>Type</b>	<b>Total SF</b>	<b>Available SF</b>	<b>NNN Rate</b>	<b>Year Built</b>	<b>True Owner</b>
Minnetonka Technology Center	Flex/R&D	27,268	2,957	\$6.65	1997	Mike Sowers
Minnetonka Technology Center	Flex/R&D	27,268	5,722	\$6.65	1997	Mike Sowers
Minnetonka Technology Center	Flex/R&D	27,268	7,070	\$6.65	1997	Mike Sowers
Minnetonka Technology Center	Flex/R&D	27,268	6,164	\$6.65	1997	Mike Sowers
Cedar 73 Business Center Bldg #3	Flex/R&D	27,889	3,550	\$5.08	1980	Mary L Armstrong
10300 10320 Bren Rd E	Warehouse/Office	50,082	35,199	\$4.31	1981	Bill Schultz
Whitewater Plaza	Flex/R&D	65,198	7,458	\$10.15	1984	
Whitewater Plaza	Flex/R&D	65,198	11,111	\$10.15	1984	
MINCO 225	Flex/R&D	63,731	4,203	\$4.26	1997	KEISHA DUCK
MINCO 225	Flex/R&D	63,731	5,103	\$4.26	1997	KEISHA DUCK
MINCO 225	Flex/R&D	63,731	8,208	\$4.26	1997	KEISHA DUCK
Encore Business Park II Bldg C	Flex/R&D	44,922	0		1982	Gregory W Thom
Minnetonka East Business Center	Flex/R&D	78,261	19,716	\$4.73	1984	Timothy J Mulcahy
Minnetonka East Business Center	Flex/R&D	78,261	7,977	\$4.73	1984	Timothy J Mulcahy
Minnetonka East Business Center	Flex/R&D	78,261	12,822	\$4.73	1984	Timothy J Mulcahy
Minnetonka Corporate Center	Flex/R&D	94,561	17,983	\$6.43	1984	Todd A Geller
Minnetonka Corporate Center	Flex/R&D	94,561	8,424	\$6.43	1984	Todd A Geller
5101 Shady Oak Rd	Warehouse/Office	117,850	117,583	\$3.75	1977	Gary Holmes
6103 Blue Cir Dr	Warehouse/Office	30,872	7,750		1996	ERIC OLSON
Encore Park	Flex/R&D	30,944	8,142	\$4.18	1978	
Encore Park	Flex/R&D	30,944	9,999	\$4.18	1978	
Feltl Road Business Center	Flex/R&D	28,110	10,916	\$5.35		Michael Smith
Rowland Pond Center I	Flex/R&D	68,703	8,000		1988	David Luski
Rowland Pond Center I	Flex/R&D	68,703	13,668	\$5.97	1988	David Luski
Rowland Pond Center I	Flex/R&D	68,703	11,419	\$5.97	1988	David Luski
Cedar 73 Business Center Bldg 5	Flex/R&D	21,745	3,937	\$5.08	1986	Mary L Armstrong
Baker Tech Bldg IV	Flex/R&D	72,330	5,617	\$6.70	1985	Peter Mork
Baker Tech Bldg IV	Flex/R&D	72,330	13,483	\$6.70	1985	Peter Mork
Rowland Pond Center II	Flex/R&D	51,013	5,541	\$5.97	1988	David Luski
<b>Total Availability</b>			<b>379,722</b>			

Sources: Colliers, MN-CAR

**Minnetonka Office Properties**  
**January 2025**

<b>Name</b>	<b>Address</b>	<b>Class</b>	<b>Type</b>	<b>Total SF</b>	<b>Land Acres</b>	<b>Year Built</b>	<b>Legal Owner</b>
1000 Parkers Lake Rd	1000 Parkers Lake Rd	B	General	18,053	2.30	1985	NESCO North LLC
1000 Twelve Oaks Center Dr	1000 Twelve Oaks Center Dr	C	General	28,150	1.35	2007	HLK ACQUISITIONS LLC
10000 Minnetonka Blvd	10000 Minnetonka Blvd	C	General	3,032	0.29	1997	Hooversian Systems LLC
1013 Ford Rd	1013 Ford Rd	C	Live/Work	2,400	0.36	1957	FORD ROAD LLC
10159 Wayzata Blvd	10159 Wayzata Blvd	B	General	20,625	2.22	1982	NOT AVAILABLE FROM THE COUNTY
10237 Yellow Circle Dr	10237 Yellow Circle Dr	B	General	4,363	2.05		BOVEDA INC
10249 Yellow Circle Dr	10249 Yellow Circle Dr	B	General	12,600	1.42	1979	LOTUS HOLDINGS LLC
10261 Yellow Circle Drive	10261 Yellow Circle Drive	B	General	10,748	1.47	1979	FORTUNE FINANCIAL HDGS LLC
10273 10273 Yellow Circle Dr	10273 10273 Yellow Circle Dr	B	General	12,894	1.66	1979	ANDREWS INC
10275 Wayzata Blvd	10275 Wayzata Boulevard	B	General	24,750	1.44	1999	10275 WAYZATA BOULEVARD LLC
10285 Yellow Circle Dr	10285 Yellow Circle Dr	B	General	10,840	1.53	1979	BORE LEE L LA
10297 10301 Yellow Cir Dr	10297 10301 Yellow Cir Dr	B	General	21,630	1.41	1979	BOHLIG FAMILY PARTNERS
10297 Yellow Circle Dr	10297 Yellow Circle Dr	B	General	11,352	1.20	1979	BOHLIG FAMILY PARTNERS
10301 Wayzata Blvd	10301 Wayzata Blvd	B	General	15,428	2.11	1981	1307 2ND AVE N LLC
10301 Yellow Cir Dr	10301 Yellow Cir Dr	B	General	10,278	1.47	1979	BOHLIG FAMILY PARTNERS
10350 10380 Bren Rd W	10350 10380 Bren Rd W	B	General	223,058	13.38	1998	HQ LLC
10401 Bren Rd E	10401 E Bren Rd	B	General	13,500	1.25	1977	MAPLE BRANCH LLC
10500 Wayzata Blvd	10500 Wayzata Blvd	B	Medical/Dental	7,648	0.47	1941	LASSCO INVESTMENTS LLC
10505 Wayzata Blvd	10505 Wayzata Blvd	B	General	16,346	1.39	1972	STROM BUILDING LLC
10512 Hwy 7	10512 Minnesota 7	B	General	4,009	0.99	1987	LECY ROY H
10520 Wayzata Blvd	10520 Wayzata Blvd	C	General	6,452	0.80	1987	TRES HERMANOS LLP
10560 Wayzata Blvd	10560 Wayzata Blvd	C	Medical/Dental	7,307	0.90	1987	GILDAS CLUB TWIN CITIES INC
10580 Wayzata Blvd	10580 Wayzata Blvd	B	General	6,400	0.94	1988	GDB Properties, LLC
10601 Wayzata Boulevard	10601 Wayzata Boulevard	B	General	24,000	1.91	1971	KHASHI ASSOCIATES LLC
10653 Wayzata Blvd	10653 Wayzata Blvd	B	Medical/Dental	15,209	1.74	2004	BTR VOYAGER I LLC
10709 Wayzata Blvd	10709 Wayzata Blvd	C	Medical/Dental	29,400	3.55	1961	MTKA II MP LLC
10801 Wayzata Blvd	10801 Wayzata Blvd	B	General	41,496	2.78	1985	AMERPRIDE SERVICES INC
11100 Bren Rd W	11100 Bren Rd W	B	General	21,500	2.15	1980	MINNESOTA ASSOCIATION OF REALTORS
11601 Minnetonka Mills Rd	11601 Minnetonka Mills Rd	C	Medical/Dental	7,496	1.72	1971	MTKA PROFESSIONAL BLDG LLP
1200 Ford Rd	1200 Ford Rd	C	General	8,487	0.87	1978	DBLS PROPERTIES LLC
12401 Minnetonka Blvd	12401 Minnetonka Blvd	C	General	4,376	0.46	1963	HOLMES MICHAEL C
12455 Ridgedale Dr	12455 Ridgedale Dr	A	Medical/Dental	23,098	4.44	1982	RIDGEDALE EXECUTIVE APTS LLC
12600 Whitewater Dr	12600 Whitewater Dr	B	General	72,692	6.21	1997	Shree Whitewater LLC; S&V Whitewater LLC; Polo Whitewater LLC; Star Whitewater LLC; Gori Whitewater LLC; Sharada & Janak LLC
12700 Whitewater Dr	12700 Whitewater Dr	A	General	152,220	6.15	1997	SNH MEDICAL OFFICE PROPS TR
12800 12900 Whitewater Dr	12800 12900 Whitewater Dr	B	General	161,759	8.85	1987	MTKA I & II COMPLEX LLC
12800 Wayzata Blvd	12800 Wayzata Blvd	C	Medical/Dental	10,561	0.63	2002	JM VETERINARY PROPERTIES LLC
13207 Minnetonka Dr	13207 Minnetonka Dr	B	Medical/Dental	1,953	0.29	1919	MINNETONKA COMMUNITY CHURCH
13815 Ridgedale Dr	13815 Ridgedale Dr	B	General	4,934	0.73	1968	Campsmit Properties, LLC
14001 Ridgedale Dr	14001 Ridgedale Dr	B	Medical/Dental	26,885	1.96	1982	RIDGEDALE DRIVE LLC
14214 Excelsior Boulevard	14214 Excelsior Boulevard	B	General	2,871	0.31	1957	LKT ENTERPRISES LLC
14451 State Hwy No 7	14451 State Hwy No 7	B	General	17,800	1.41	1999	TOWER HILL LLC
14700 Excelsior Blvd	14700 Excelsior Blvd	C	General	6,479	0.36	1965	14700 EXCELSIOR BLVD LLC
15111 Twelve Oaks Ctr Dr	15111 Twelve Oaks Ctr Dr	A	Medical/Dental	45,006	2.67	1991	PARK NICOLLET MED CTR
15119 Minnetonka Blvd	15119 Minnetonka Blvd	B	General	4,212	0.61	1954	JAL Properties of Minnesota, LLC
15210 Wayzata Blvd	15210 Wayzata Blvd	C	General	10,723	0.77	1997	NOT AVAILABLE FROM THE COUNTY
15320 Minnetonka Blvd	15320 Minnetonka Blvd	C	General	11,755	1.14	1973	MINNEHAHA CRK WATERSHED DIST
15501 McGinty Rd W	15501 McGinty Rd W	A	Corporate Facility	440,864	184.64	1975	GREENDALE ASSOCIATES LLC
15550 Wayzata Blvd	15550 Wayzata Blvd	B	General	11,744	1.30	1982	THE UNCLE'S LLC
15600 Wayzata Blvd	15600 Wayzata Blvd	B	General	21,534	1.70	1999	15600 WAYZATA BLVD LTD PTRSP
1600 Hopkins Crossroad	1600 Hopkins Crossroad	B	General	10,516	3.17	2005	1600 Hopkins Crossroad, LLC
16182 Hwy 7	16182 Hwy 7	B	General	1,571	0.19	2007	JOHN K THOMAS
17422 Minnetonka Blvd	17422 Minnetonka Blvd	C	General	1,600	0.34	1954	OPHEIM ALAN I
17508 Minnetonka Blvd	17508 Minnetonka Blvd		Medical/Dental	901	0.12	1964	POWERS OLSON PROPERTIES LLC
17601 State Highway 7	17601 State Highway 7	C	General	9,757	0.48	1978	JB REAL ESTATE GROUP LLC
17660 Hwy 7	17660 Hwy 7	C	Medical/Dental	3,502	0.37	1968	ST ALBANS BAY PROPERTIES LLC
17705 Hutchins Dr	17705 Hutchins Dr	B	Medical/Dental	16,494	1.15	1980	EVI SOUTH LAKE MEDICAL LLC
17746 Old Excelsior Blvd	17746 Old Excelsior Blvd	C	General	2,878	0.04	1987	HBL HOLDINGS LLC
17800 Hutchins Dr	17800 Hutchins Dr	C	Medical/Dental	2,338	0.27	1953	WILLXIS PROPERTIES L L C
17800 Old Excelsior Blvd	17800 Old Excelsior Blvd	C	General	2,858	0.04	1984	OLD EXCELSIOR PROPERTIES LLC
17808 Old Excelsior Blvd	17808 Old Excelsior Blvd	C	General	3,350	0.04	1986	Gilded Arrow LLC

*(continued)*

**Minnetonka Office Properties**  
January 2025

Name	Address	Class	Type	Total SF	Land Acres	Year Built	Legal Owner
17809 Hutchins Dr	17809 Hutchins Dr	B	Medical/Dental	9,324	1.22	1979	EWR Minnetonka Office LLC; OFT Trade LLC; Prabhavati Bharadwa; Rajnikant Bharadwa
17821 Highway 7	17821 Highway 7	C	Medical/Dental	18,210	1.98	1978	EF MSP Minnetonka LLC
17833 Hutchins Dr	17833 Hutchins Dr	C	General	1,429	0.04	1987	OCTOBER PROPERTIES LLC
17909 Hwy 7	17909 Hwy 7	C	General	3,276	0.34	1947	HAUGDAHL, STEVEN J & C A
17917 Hwy 7	17917 Hwy 7	C	General	2,508	0.33	1947	HAUGDAHL, STEVEN J & COLLEEN A
18001 Minnesota 7	18001 Minnesota 7	C	General	6,400	0.53	1962	BURGER MARIANNE C
18707 Old Excelsior Blvd	18707 Old Excelsior Blvd	B	General	9,170	1.86	2001	MTKA IND SCHOOL DIST NO 276
301 Carlson Pkwy	301 Carlson Pkwy	A	General	224,240	10.28	1999	MEDICA HEALTH PLANS
3318 Groveland School Rd	3318 Groveland School Rd	C	Medical/Dental	4,202	1.02	1972	HOWHOT PROPERTIES LLC
3514 Cty Rd 101	3514 Cty Rd 101	C	General	4,573	2.10	1948	3514 COUNTY ROAD 101 LLC
401 Carlson Pkwy	401 Carlson Pkwy	A	General	228,080	10.95	2001	MEDICA HEALTH PLANS
5100 Thimsen Ave	5100 Thimsen Ave	B	General	8,526	0.48	1979	5100 THIMSEN LLC
5235 Woodhill Rd	5235 Woodhill Rd	C	General	5,718	0.92	1952	WEST SUBURBAN ALANO SOCIETY
5435 Feltl Rd	5435 Feltl Rd	C	Mixed Use	14,728	3.47	1992	5435 FELTL LLC
5509 Eden Prairie Rd	5509 Eden Prairie Rd	C	General	5,070	0.96	1968	MINNETONKA REAL ESTATE HOLDING CO LLC
5620 Smetana Dr	5620 Smetana Dr	B	General	37,625	2.42	1981	EDEN PRAIRIE ISLAMIC COMMUN
5640 Smetana Dr	5640 Smetana Dr	B	General	38,065	2.56	1981	EDEN PRAIRIE ISLAMIC COMMUN
5755 Baker Road	5755 Baker Road	B	General	9,612	2.10		ROBINSON CHARLES A
5800 County Road 60	5800 County Road 60	B	General	10,920	12.23		SKYRIDGE 2 LLC
5816 Rowland Rd	5816 Rowland Rd	C	General	3,036	1.86	1977	CITY OF MINNETONKA
5900 Rowland Rd	5900 Rowland Rd	C	General	12,716	4.21	1993	NESBIT HOLDINGS LLC
5995 Opus Pkwy	5995 Opus Pkwy	B	General	164,931	8.85	1988	5995 Minnetonka LLC
600 Twelve Oaks Center Dr	600 Twelve Oaks Center Dr	C	General	23,808	8.09	1977	TWELVE OAKS LTD PTNRSHP
600 Twole Oaks Ctr Dr	600 Twole Oaks Ctr Dr	C	General	22,710	8.09	1977	TWELVE OAKS LTD PTNRSHP
6010 Culligan Way	6010 Culligan Way	B	General	14,889	2.04		THE NEWMAN FAMILY LTD PTNRSHP
6024 Blue Circle Dr	6024 6024 Blue Circle Dr	B	General	6,088	0.15	1975	MARZOLF PROPERTIES LLC
6026 Blue Circle Dr	6026 Blue Circle Dr	C	General	7,760	0.18	1975	HALLE PROPERTIES LLC
6030 Culligan Way	6030 Culligan Way		General	29,555	4.74		CULLIGAN SOFT WATER SERV CO
6050 6060 Clearwater Dr	6050 6060 Clearwater Dr	C	Medical/Dental	25,749	6.38	1994	CHILDRENS HLTH CARE SER INC
6109 Blue Circle Dr	6109 Blue Circle Dr	B	General	11,328	1.59	1978	NFK PROPERTIES
6110 Blue Circle Dr	6110 Blue Circle Dr	B	General	34,802	2.57	1975	UNITED HEALTHCARE SERVICES INC
6111 Blue Circle Dr	6111 Blue Circle Dr	C	General	25,289	4.32	1994	ELECTRO SENSORS INC
6117 Blue Circle Dr	6117 Blue Circle Dr	B	General	10,500	1.10	1978	EGUBAS LLC
6120 Blue Circle Dr	6120 Blue Circle Dr	C	General	8,597	2.25	1975	ZUHRAH TEMPLE
7 Hi Office Campus	17736 Old Excelsior Blvd	C	Mixed Use	1,700	0.04	1984	AFFORDABLE GREEN HOMES LLC
701 Carlson	701 Carlson Pkwy	A	General	334,394	7.76	1989	WHQ LLC
801 Twelve Oaks Ctr Dr	801 Twelve Oaks Ctr Dr	B	General	22,808	5.20	1978	TWELVE OAKS LTD PTNRSHP
9705 Data Park Dr	9705 Data Park Dr	B	General	113,094	12.88	1977	UNITED HEALTHCARE SERVICES INC
9820 Minnetonka Blvd	9820 Minnetonka Blvd	C	General	1,860	1.00		JAMES CLEMENTS
9900 Bren Rd E	9900 Bren Rd E	A	Corporate Facility	345,000	20.74	1981	LCN UHS MINNETONKA LLC
9999 Wayzata Blvd	9999 Wayzata Blvd	B	General	15,360	1.11	1987	WAYZATA 9999 CF LLC
Adler Graduate School	10225 Yellow Circle Drive	B	Corporate Facility	37,500	4.51	1982	ADLER GRADUATE SCHOOL
Baker Road Corporate Center	4400 Baker Rd	B	General	111,632	18.37	1975	SE BAKER ROAD DST
Baker Road Corporate Center Portfolio	4350 4400 Baker Rd	B	General	208,000	18.37	1975	SE BAKER ROAD DST
Baker West	4350 Baker Rd	B	General	107,100	18.37	1975	Welsh Baker Road Llc
Brenwood I & II Portfolio	5700 5720 Smetana Dr	B	Corporate Facility	113,552	4.23	1980	UNITED HEALTHCARE SVCS INC
Brenwood Office Campus Portfolio	5620 5720 Smetana Dr	B	Corporate Facility	189,242	4.38	1980	UNITED HEALTHCARE SVCS INC
Carlson Center East I	110 Cheshire Lane	B	General	83,355	5.83	1998	GRE CARLSON CENTER EAST LLC
Carlson Center East II	130 Cheshire Ln	B	General	67,346	9.70	1996	Cheshire LLC
Clearwater Corporate Center	6000 Clearwater Dr	B	General	97,148	7.48	1987	JMAC Exchange LLC
Condo Business Center	6010 6012 Blue Circle Dr	C	General	8,711	0.21	1975	RUCKUS LLC
Continental Minnetonka	10650 Red Cir Dr	B	General	103,000	5.17	1978	CONTINENTAL MINNETONKA LLC
Crescent Ridge Corporate Center I	11100 Wayzata Blvd	A	General	270,864	10.57	1998	PROPERTY RESERVE INC
Crescent Ridge II	10900 Wayzata Blvd	A	General	300,633	12.06	2000	WELLS OPERATING PTRSHP LP
Crest Ridge Corporate Center	11055 Wayzata Blvd	B	Corporate Facility	116,338	7.05	2008	LARSON CAPITAL CREST RIDGE LLC
Equity Bank Office Center	5900 Green Oak Dr	B	General	59,685	7.10	1983	5900 GREEN OAK LLC
Executive Square West	5100 Thimsen Avenue	B	General	8,526	0.48	1979	5100 THIMSEN LLC
Gateway Office Center	9800 E Bren Rd	B	General	70,184	5.00	1984	9800 BREND RD LLC
Hightwood Office Center	15612 Hwy 7	B	General	20,809	1.94	1980	CityLine Homes, Inc.
Lake West Building	14525 W Hwy 7	B	Mixed Use	59,844	3.57	1980	LAKE WEST BLDG LLC
Marsh Run	11816 Wayzata Blvd	C	General	43,554	4.33	1981	Doran Companies
Marsh Run	11800 11824 Wayzata Blvd	C	General	11,305	1.18	1984	Carpenter Land Company
Meditech	5130 County Road 101	B	General	63,624	3.68	1984	MEDICAL INFO TECHNOLOGY INC
Metropolitan Financial Center	5101 Thimsen Ave	C	General	10,966	0.58	1980	5101 Thimsen Office LLC
Minnetonka Corporate Campus III	12900 Whitewater Dr	B	General	82,716	4.37	1986	LIBERTY PROPERTY LTD PTNRSHP
Minnetonka Corporate Center II	12800 Whitewater Dr	B	General	81,971	4.48	1987	MTKA I & II COMPLEX LLC
Minnetonka Medical Center	15450 State Hwy 7	B	Medical/Dental	62,316	5.38	2014	MMB MEDICAL PARTNERS LLC
Minnetonka Plaza	10201 Wayzata Blvd	B	General	37,911	3.43	1982	MPAL LLC
Minnetonka West Office	5125 County Rd 101	B	General	34,611	3.01	1998	Minnetonka Office Partners LLLP
Oak Hill Business Center	6133 Blue Circle Dr	B	General	10,000	1.42	1978	3555 LLC
Opportunity Business Center	5400 Opportunity Court		General	17,190	1.22	1978	OPPORTUNITY BUSINESS CTR LLC
OSR Physical Therapy	5101 Cty 101	B	Medical/Dental	3,062	0.55	1983	HIKE INVESTMENTS LLC
Pondview Plaza	5850 Opus Parkway	B	General	120,478	9.17	1997	PONDVIEW PLAZA LLC
Prosperwell Financial Building	4300 Baker Rd	B	General	8,104	0.67	1984	MY GRACE PROPERTIES LLC
Ridge Plaza	12400 Wayzata Boulevard	B	General	58,360	2.57	1975	JKT PROPERTIES LLC
Ridgedale Office Center	13911 Ridgedale Dr	B	General	82,251	3.54	1982	S & S DEVELOPMENT CORP
Ridgehill Professional Center	2000 Plymouth Rd	B	General	34,188	6.05	1984	Aaron Lake LLC
Ridgeview Office Center	13100 Wayzata Blvd	B	General	59,380	2.75	1983	RIDGEVIEW HOLDINGS LLC
Shady Oak Lake Center	5101 Shady Oak Rd	B	General	130,538	15.95	1977	Thomas Edward Ltd Ptnshp

*(continued)*

**Minnetonka Office Properties**  
**January 2025**

<b>Name</b>	<b>Address</b>	<b>Class</b>	<b>Type</b>	<b>Total SF</b>	<b>Land Acres</b>	<b>Year Built</b>	<b>Legal Owner</b>
SkyRidge Business Center + Nature Preserve	5810 Baker Rd	B	General	24,472	12.23	2000	SKYRIDGE 2 LLC
Strom Building	10501 Wayzata Blvd	C	General	10,488	0.70	1969	STROM BUILDING LLC
Tonkawood Office Park	16200 Hwy 7	B	General	2,776	0.19	2007	MCCLELLAND & MILLER RE LLC
Tonkawood Office Park	16180 Hwy 7	B	General	2,888	0.19	2007	JOHN K THOMAS
Tonkawood Office Park	16180 16184 State Hwy 7	B	General	9,478	0.19	2007	THOMAS JOHN K
Tonkawood Office Park Condo 16192	16192 State Hwy 7	B	General	3,072	0.14	2007	ER & ST Investments, LLC
Tower at Carlson Center	601 Carlson Pkwy	A	General	288,458	7.76	1988	WHQ LLC
Two Carlson Parkway	2 Carlson Pkwy	A	General	130,124	12.18	1997	NOT AVAILABLE FROM THE COUNTY
United Healthcare	9700 Health Care Ln	B	Corporate Facility	350,000	6.45	2007	DST HEALTHCARE LA PROPCO
United Healthcare	9800 Health Care Lnne	B	Corporate Facility	350,000	6.45	2007	DST HEALTHCARE LA PROPCO
Whitewater Business Center	12301 Whitewater Dr	B	General	72,246	6.64	1985	SH Whitewater LLC
Whitewater Office Center I	12501 Whitewater Dr	B	General	102,908	9.93	1984	WSP WHITEWATER LLC
Whitewater Office Center II	12701 Whitewater Dr	B	General	106,132	9.93	1984	WSP WHITEWATER LLC
Woodside Office Center I	10550 Wayzata Blvd	C	General	12,285	1.15	1986	ABBOT PROPERTIES LLC
Woodside V	10590 Wayzata Blvd	B	General	32,196	3.63	1998	TYAAC PLACE LLC
<b>Total</b>				<b>8,087,849</b>			

Sources: Colliers; MN-CAR

**Minnetonka Office Properties For Lease**  
**January 2025**

<u>Name</u>	<u>Class</u>	<u>Type</u>	<u>Available SF</u>	<u>Gross Rate</u>	<u>Year Built</u>	<u>Legal Owner</u>
1000 Parkers Lake Rd	B	General	18,053	Negotiable	1985	NESCO North LLC
10285 Yellow Circle Dr	B	General	5,000	\$20.00	1979	BORE LEE L LA
10350 10380 Bren Rd W	B	General	132,604	Negotiable	1998	HQ LLC
10500 Wayzata Blvd	B	Medical/Dental	3,870	\$14.00	1941	LASSCO INVESTMENTS LLC
10505 Wayzata Blvd	B	General	240	\$26.25	1972	STROM BUILDING LLC
10520 Wayzata Blvd	C	General	1,280	\$23.00	1987	TRES HERMANOS LLP
12455 Ridgedale Dr	A	Medical/Dental	1,700	\$20.00	1982	RIDGEDEALE EXECUTIVE APTS LLC
12455 Ridgedale Dr	A	Medical/Dental	3,349	\$20.00	1982	RIDGEDEALE EXECUTIVE APTS LLC
12600 Whitewater Dr	B	General	17,311	\$17.00	1997	Shree Whitewater LLC; S&V Whitewater LLC; Polo
12600 Whitewater Dr	B	General	18,991	\$17.00	1997	Shree Whitewater LLC; S&V Whitewater LLC; Polo
12600 Whitewater Dr	B	General	5,000	\$15.00	1997	Shree Whitewater LLC; S&V Whitewater LLC; Polo
12700 Whitewater Dr	A	General	150,000	\$20.00	1997	SNH MEDICAL OFFICE PROPS TR
14001 Ridgedale Dr	B	Medical/Dental	3,587	\$23.00	1982	RIDGEDEALE DRIVE LLC
301 Carlson Pkwy	A	General	17,659	\$18.50	1999	MEDICA HEALTH PLANS
301 Carlson Pkwy	A	General	2,285	\$19.50	1999	MEDICA HEALTH PLANS
301 Carlson Pkwy	A	General	44,158	\$18.50	1999	MEDICA HEALTH PLANS
301 Carlson Pkwy	A	General	44,158	\$18.50	1999	MEDICA HEALTH PLANS
6050 6060 Clearwater Dr	C	Medical/Dental	2,675	Negotiable	1994	CHILDRENS HLTH CARE SER INC
6110 Blue Circle Dr	B	General	1,454	\$14.50	1975	UNITED HEALTHCARE SERVICES INC
6110 Blue Circle Dr	B	General	1,523	\$14.50	1975	UNITED HEALTHCARE SERVICES INC
6110 Blue Circle Dr	B	General	721	\$14.50	1975	UNITED HEALTHCARE SERVICES INC
6110 Blue Circle Dr	B	General	6,200	\$14.50	1975	UNITED HEALTHCARE SERVICES INC
701 Carlson	A	General	6,352	\$25.00	1989	WHQ LLC
701 Carlson	A	General	22,480	\$25.00	1989	WHQ LLC
701 Carlson	A	General	22,824	\$25.00	1989	WHQ LLC
701 Carlson	A	General	22,639	\$25.00	1989	WHQ LLC
701 Carlson	A	General	10,061	\$25.00	1989	WHQ LLC
701 Carlson	A	General	4,218	\$25.00	1989	WHQ LLC
701 Carlson	A	General	2,697	\$25.00	1989	WHQ LLC
701 Carlson	A	General	4,797	\$25.00	1989	WHQ LLC
701 Carlson	A	General	21,913	\$25.00	1989	WHQ LLC
9900 Bren Rd E	A	Corporate Facility	345,000	Negotiable	1981	LCN UHS MINNETONKA LLC
Baker Road Corporate Center	B	General	24,209	Negotiable	1975	SE BAKER ROAD DST
Baker West	B	General	2,637	\$18.00	1975	Welsh Baker Road Llc
Baker West	B	General	6,347	\$18.00	1975	Welsh Baker Road Llc
Baker West	B	General	1,203	\$18.00	1975	Welsh Baker Road Llc
Baker West	B	General	17,973	\$23.00	1975	Welsh Baker Road Llc
Baker West	B	General	7,850	\$23.00	1975	Welsh Baker Road Llc
Carlson Center East I	B	General	3,586	\$16.50	1998	GRE CARLSON CENTER EAST LLC
Carlson Center East I	B	General	13,505	\$16.50	1998	GRE CARLSON CENTER EAST LLC
Carlson Center East I	B	General	5,307	\$17.00	1998	GRE CARLSON CENTER EAST LLC
Carlson Center East II	B	General	551	\$16.25	1996	Cheshire LLC
Clearwater Corporate Center	B	General	9,500	\$14.00	1987	JMAC Exchange LLC
Condo Business Center	C	General	5,200	\$8.00	1975	RUCKUS LLC
Crescent Ridge Corporate Center I	A	General	7,111	\$24.00	1998	PROPERTY RESERVE INC
Crescent Ridge Corporate Center I	A	General	10,709	\$22.00	1998	PROPERTY RESERVE INC
Crescent Ridge Corporate Center I	A	General	9,775	\$22.00	1998	PROPERTY RESERVE INC
Crescent Ridge Corporate Center I	A	General	21,743	\$24.00	1998	PROPERTY RESERVE INC
Crescent Ridge Corporate Center I	A	General	4,802	\$24.00	1998	PROPERTY RESERVE INC
Crescent Ridge II	A	General	3,221	\$24.00	2000	WELLS OPERATING PTRSHP LP
Crescent Ridge II	A	General	7,901	\$24.00	2000	WELLS OPERATING PTRSHP LP
Equity Bank Office Center	B	General	3,639	\$18.75	1983	5900 GREEN OAK LLC
Equity Bank Office Center	B	General	1,376	\$14.75	1983	5900 GREEN OAK LLC
Equity Bank Office Center	B	General	1,824	\$14.75	1983	5900 GREEN OAK LLC
Equity Bank Office Center	B	General	3,589	\$18.75	1983	5900 GREEN OAK LLC
Equity Bank Office Center	B	General	7,662	\$18.75	1983	5900 GREEN OAK LLC
Equity Bank Office Center	B	General	8,912	\$18.75	1983	5900 GREEN OAK LLC
Equity Bank Office Center	B	General	3,260	\$18.75	1983	5900 GREEN OAK LLC
Equity Bank Office Center	B	General	5,218	\$18.75	1983	5900 GREEN OAK LLC
Equity Bank Office Center	B	General	1,900	\$18.75	1983	5900 GREEN OAK LLC
Equity Bank Office Center	B	General	1,822	\$18.75	1983	5900 GREEN OAK LLC
Equity Bank Office Center	B	General	1,582	\$18.75	1983	5900 GREEN OAK LLC
Equity Bank Office Center	B	General	2,123	\$14.75	1983	5900 GREEN OAK LLC

*(continued)*

**Minnetonka Office Properties For Lease**  
**January 2025**

<u>Name</u>	<u>Class</u>	<u>Type</u>	<u>Available SF</u>	<u>Gross Rate</u>	<u>Year Built</u>	<u>Legal Owner</u>
Gateway Office Center	B	General	24,640	\$14.00	1984	9800 BREN RD LLC
Gateway Office Center	B	General	21,780	\$14.00	1984	9800 BREN RD LLC
Lake West Building	B	Mixed Use	5,584	Negotiable	1980	LAKE WEST BLDG LLC
Lake West Building	B	Mixed Use	5,257	Negotiable	1980	LAKE WEST BLDG LLC
Minnetonka Corporate Campus III	B	General	11,834	\$16.50	1986	LIBERTY PROPERTY LTD PTNSHP
Minnetonka Corporate Center II	B	General	4,072	\$16.50	1987	MTKA I & II COMPLEX LLC
Minnetonka Corporate Center II	B	General	2,451	\$15.50	1987	MTKA I & II COMPLEX LLC
Minnetonka Corporate Center II	B	General	3,586	\$16.50	1987	MTKA I & II COMPLEX LLC
Minnetonka Corporate Center II	B	General	3,128	\$16.50	1987	MTKA I & II COMPLEX LLC
Minnetonka Plaza	B	General	831	\$13.50	1982	MPAL LLC
Minnetonka Plaza	B	General	977	\$13.50	1982	MPAL LLC
Minnetonka Plaza	B	General	1,289	\$13.50	1982	MPAL LLC
Minnetonka West Office	B	General	11,279	\$16.00	1998	Minnetonka Office Partners LLLP
Minnetonka West Office	B	General	1,557	\$16.00	1998	Minnetonka Office Partners LLLP
Minnetonka West Office	B	General	1,784	\$16.00	1998	Minnetonka Office Partners LLLP
Minnetonka West Office	B	General	1,765	\$16.00	1998	Minnetonka Office Partners LLLP
Pondview Plaza	B	General	7,941	\$14.50	1997	PONDVIEW PLAZA LLC
Pondview Plaza	B	General	5,675	\$14.50	1997	PONDVIEW PLAZA LLC
Pondview Plaza	B	General	2,615	\$14.50	1997	PONDVIEW PLAZA LLC
Pondview Plaza	B	General	2,921	\$14.50	1997	PONDVIEW PLAZA LLC
Pondview Plaza	B	General	1,875	\$14.50	1997	PONDVIEW PLAZA LLC
Pondview Plaza	B	General	1,357	\$14.50	1997	PONDVIEW PLAZA LLC
Pondview Plaza	B	General	4,926	\$14.50	1997	PONDVIEW PLAZA LLC
Ridgegate Office Center	B	General	1,099	\$14.50	1982	S & S DEVELOPMENT CORP
Ridgegate Office Center	B	General	1,240	\$14.50	1982	S & S DEVELOPMENT CORP
Ridgegate Office Center	B	General	719	\$14.50	1982	S & S DEVELOPMENT CORP
Ridgegate Office Center	B	General	2,501	\$14.50	1982	S & S DEVELOPMENT CORP
Ridgegate Office Center	B	General	1,217	\$14.50	1982	S & S DEVELOPMENT CORP
Ridgegate Office Center	B	General	1,946	\$14.50	1982	S & S DEVELOPMENT CORP
Ridgegate Office Center	B	General	3,156	\$14.50	1982	S & S DEVELOPMENT CORP
Ridgegate Office Center	B	General	1,024	\$14.50	1982	S & S DEVELOPMENT CORP
Ridgegate Office Center	B	General	3,022	\$14.50	1982	S & S DEVELOPMENT CORP
Ridgegate Office Center	B	General	1,240	\$14.50	1982	S & S DEVELOPMENT CORP
Ridgegate Office Center	B	General	350	\$14.50	1982	S & S DEVELOPMENT CORP
Ridgegate Office Center	B	General	546	\$14.50	1982	S & S DEVELOPMENT CORP
Ridgehill Professional Center	B	General	1,638	Negotiable	1984	Aaron Lake LLC
Ridgehill Professional Center	B	General	849	Negotiable	1984	Aaron Lake LLC
Ridgeview Office Center	B	General	2,268	\$18.00	1983	RIDGEVIEW HOLDINGS LLC
Tonkawood Office Park	B	General	1,571	\$15.50	2007	MCQUELLAND & MILLER RE LLC
Tower at Carlson Center	A	General	12,866	\$25.00	1988	WHQ LLC
Tower at Carlson Center	A	General	11,721	\$25.00	1988	WHQ LLC
Tower at Carlson Center	A	General	8,657	\$25.00	1988	WHQ LLC
Tower at Carlson Center	A	General	7,453	\$25.00	1988	WHQ LLC
Tower at Carlson Center	A	General	8,743	\$25.00	1988	WHQ LLC
Tower at Carlson Center	A	General	20,930	\$25.00	1988	WHQ LLC
Tower at Carlson Center	A	General	7,580	\$25.00	1988	WHQ LLC
Tower at Carlson Center	A	General	1,787	\$25.00	1988	WHQ LLC
Tower at Carlson Center	A	General	2,263	\$25.00	1988	WHQ LLC
Tower at Carlson Center	A	General	924	\$25.00	1988	WHQ LLC
Tower at Carlson Center	A	General	1,555	\$25.00	1988	WHQ LLC
Tower at Carlson Center	A	General	14,064	\$26.50	1988	WHQ LLC
Tower at Carlson Center	A	General	13,918	\$26.50	1988	WHQ LLC
Two Carlson Parkway	A	General	4,573	\$17.50	1997	NOT AVAILABLE FROM THE COUNTY
Two Carlson Parkway	A	General	1,381	\$16.50	1997	NOT AVAILABLE FROM THE COUNTY
Two Carlson Parkway	A	General	3,301	\$17.50	1997	NOT AVAILABLE FROM THE COUNTY
Two Carlson Parkway	A	General	3,752	\$16.50	1997	NOT AVAILABLE FROM THE COUNTY
Whitewater Business Center	B	General	1,467	\$15.00	1985	SH Whitewater LLC
Whitewater Business Center	B	General	7,392	\$15.00	1985	SH Whitewater LLC
Whitewater Business Center	B	General	1,888	\$15.00	1985	SH Whitewater LLC
Whitewater Business Center	B	General	2,420	\$15.00	1985	SH Whitewater LLC
Whitewater Office Center I	B	General	3,816	Negotiable	1984	WSP WHITEWATER LLC
Whitewater Office Center II	B	General	4,409	\$19.00	1984	WSP WHITEWATER LLC
Woodside V	B	General	1,597	\$16.00	1998	TYAAC PLACE LLC
Woodside V	B	General	10,887	\$17.00	1998	TYAAC PLACE LLC

Total 1,463,690

Sources: Colliers; MN-CAR

**Minnetonka Retail Properties**
**January 2025**

Name	Address	Type	Total SF	Land Acres	Year Built	Legal Owner
10015 10029 Minnetonka Blvd	10015 Minnetonka Blvd	Strip Center	13,641	0.77	1977	PLSARNA PROPERTIES LLC
10800 10900 Greenbrier Rd	10800 10900 Greenbrier Rd	Strip Center	21,037	3.00	1986	ADVANCE CARTER INC
11525 Excelsior Blvd	11525 Excelsior Blvd	Strip Center	23,373	1.33	1958	11525 LLC
12460 12500 Wayzata Blvd	12460 12500 Wayzata Blvd	Strip Center	18,453	1.29	1972	12500 WAYZATA BLVD LLC
12901 Wayzata Blvd	12901 Wayzata Blvd	Strip Center	13,264	1.69	1987	12901 WAYZATA BOULEVARD LLC
13520 13580 Wayzata Blvd	13512 13580 Wayzata Blvd	Neighborhood Center	43,516	2.91	1988	SEARS IMPORTED AUTOS INC
13879 Ridgedale Dr	13879 Ridgedale Dr	Strip Center	12,310	0.83	1988	RIDGEDALE DR RETAIL CTR LLC
14704 Excelsior Blvd	14704 Excelsior Blvd	Strip Center	5,972	0.53	1965	IOLA WME LLC
17420 Minnetonka Blvd	17420 Minnetonka Blvd	Strip Center	6,959	0.72	1962	Tonka 101 LLC
17505 17585 State Hwy 7	17505 17585 State Hwy 7	Community/Specialty	119,004	9.07	1972	Minn Associates LP
17507 Minnetonka Blvd	17507 Minnetonka Blvd	Strip Center	25,293	0.89	1966	DEAKYNE J A M
1809 Plymouth Rd Bldg 1	1809 Plymouth Rd	Strip Center	7,305	2.01		MINNETONKA NATIONAL BANK
1809 Plymouth Rd Bldg 2	1809 Plymouth Rd	Strip Center	8,800	2.01		MINNETONKA NATIONAL BANK
3333 Building	3319 3333 County Rd 101	Strip Center	6,387	0.47	1950	Burnsville Showroom LLC
3432 3454 Cty Rd 101	3432 3454 Cty Rd 101	Strip Center	6,903	0.66	2006	CPE 26337 LINDY BEIMIDJI LLC 3450 MINNETONKA LLC
4303 4307 Shady Oak Rd	4303 4307 Shady Oak Rd	Community/Specialty	10,834	0.48	1957	COUNTY OF HENNEPIN
4307 4307 Shady Oak Rd	4307 4307 Shady Oak Rd	Community/Specialty	4,484	0.23	1956	COUNTY OF HENNEPIN
4312 4336 Shady Oak Rd	4312 4336 Shady Oak Rd	Strip Center	12,463	0.24	1951	Shady Oak Crossing LLC
7 Hi Shopping Center	4848 County Road 101	Big Box	186,041	34.94		TARGET CORPORATION
7 Hi Shopping Center	17730 17790 Minnesota 7	Neighborhood (Grocery Anchor)	22,832	15.03	1981	7 HI RETAIL LLC
7 Hi Shopping Center	4754 Co Rd No 101	Strip Center	6,471	0.92	1981	7 HI RETAIL LLC
Best Buy Building	13513 Wayzata Boulevard	Big Box	60,956	4.56	1981	BEST BUY STORES LP
Bonaventure Shopping Center	1501 1641 Plymouth Rd	Neighborhood Center	48,359	6.24	1978	CSM BONAVVENTURE LTD PTNSHP
Cedar Hills II	10976 11032 Cedar Lake Rd	Strip Center	20,080	2.47	1988	FZH FAM LMTD LIAB PART
Cedar Hills Shopping Center	11040 11064 Cedar Lake Rd	Strip Center	11,829	1.47	1981	CEDAR HILLS SHOPPING CTR CO
Center Westdale	15616 15700 Wayzata Blvd	Strip Center	25,815	11.37	1967	Walser Real Estate, LLC, a Minnesota limited liability
Country Village Shopping Center	11301 11400 Hwy 7	Neighborhood (Grocery Anchor)	111,915	9.71	1969	Country Village 2022, LLC; Lakeville Crossroads East 2008,
Cub Foods	4801 County Rd 101	Big Box	67,359	7.91		HAUG INVEST PORP LLLP
Excelsior Plaza	11501 11509 Excelsior Blvd	Strip Center	28,440	1.79	1960	RICKLAND LLC
Glen Lake Station	14625 14731 Excelsior Blvd	Neighborhood Center	34,459	2.81	1958	SOUTHMETRO CTRS X LLC
Glen Lake Village	14400 14448 Excelsior Blvd	Neighborhood Center	36,370	3.56	1982	Glen Lakes Mall LLC
Minnehaven Square Shopping Center	17603 17632 Minnetonka Blvd	Strip Center	17,730	1.23	1979	Minnehaven LLC
Minnetonka Crossing Bldg 2	6001 Shady Oak Rd S	Strip Center	4526	2.39	2007	MTKA CROSSINGS PI LLC
Office Depot Plaza	1001 1005 Plymouth Rd	Neighborhood (Grocery Anchor)	65,449	7.20	1994	1001 Plymouth Road LLC
Ridge Square North	12977 13059 Ridgedale Dr	Neighborhood Center	83,000	10.15	1982	RIDGE SQUARE NORTH LLP
Ridge Square South	12901 12953 Ridgedale Dr	Neighborhood Center	39,570	5.34	1980	RIDGE SQUARE PROPERTIES
Ridgedale Corner Shoppes	1805 Plymouth Rd	Strip Center	7,686	1.22	2018	Brodi Capital, LLC
Ridgedale Festival Center	14200 Wayzata Blvd	Community/Specialty	122,788	11.93	1990	KIR MINNETONKA L P
Ridgedale Plaza	1800 1816 Plymouth Road	Strip Center	15,640	1.77	1976	BLACKHAWK RIDGEDELLE HLDS LLC
Ridgedale Shopping Center	12401 12441 Wayzata Boulevard	Regional Mall	1,144,973	66.34	1975	Brookfield Properties Retail Group
Ridgehaven Marketplace	13081 13181 Ridgedale Dr	Community/Specialty	141,010	14.40	1981	RH Associates LLC
Ridgeview Plaza	12380 Wayzata Blvd	Neighborhood Center	68,576	4.95	1992	CSM Investors Inc
Ridgewood Center	13601 13691 Wayzata Blvd	Neighborhood Center	31,644	2.28	1984	HJ RIDGEDALE 2021 LLC
Shady Oak Center	10995 10999 Red Circle Dr (transfer)	Strip Center	7,027	1.60	1997	DJD Partners VII LLC
Shoppes on 101	4901 4937 County Rd 101	Strip Center	14,274	2.79		SHOPPES ON 101 LLC
Sterling Center	3311 S County Rd 101	Strip Center	14,383	1.03	1960	AQUA BOWL INC
Sundial Shopping Center	5757 Sanibel Drive	Strip Center	24,030	3.33	1986	SUNDIAL CENTER LLC
Target	13201 Ridgedale Dr	Big Box	131,172	10.23	1981	DAYTON HUDSON CORP
West Ridge Market Shopping Center	11450 11544 Wayzata Blvd	Neighborhood Center	57,424	14.36	1996	CSM West Ridge Inc
West Ridge Market Shopping Center	11300 Wayzata Blvd	Strip Center	27,388	6.60	1996	CSM WEST RIDGE INC
Westridge Market Shopping Center	11210 11260 W Wayzata Blvd	Community/Specialty	131,611	14.36		CSM West Ridge Inc
Westwind Plaza	4703 4795 County Road 101	Neighborhood Center	87,933	10.14	1985	BRE RETAIL RESIDUAL OWNER 6
<b>Total</b>			<b>3,258,758</b>			

**Minnetonka Retail Properties For Lease**  
**January 2025**

<b>Name</b>	<b>Sub Type</b>	<b>Total SF</b>	<b>Available SF</b>	<b>NNN Rate</b>	<b>Year Built</b>	<b>Legal Owner</b>
17505 17585 State Hwy 7	Community/Specialty	119,004	25,000	\$4.82	1972	Minn Associates LP
1809 Plymouth Rd Bldg 2	Strip Center	8,800	3,500			MINNETONKA NATIONAL BANK
Cedar Hills II	Strip Center	20,080	936	\$12.10	1988	FZH FAM LMTD LIAB PART
Cedar Hills II	Strip Center	20,080	2,400	\$12.10	1988	FZH FAM LMTD LIAB PART
Cedar Hills Shopping Center	Strip Center	11,829	1,495	\$13.24	1981	CEDAR HILLS SHOPPING CTR CO
Cedar Hills Shopping Center	Strip Center	11,829	3,300	\$13.24	1981	CEDAR HILLS SHOPPING CTR CO
Glen Lake Village	Neighborhood Center	36,370	1,620	\$8.69	1982	Glen Lakes Mall LLC
Office Depot Plaza	Neighborhood (Grocery Anchor)	65,449	15,000		1994	1001 Plymouth Road LLC
Ridge Square North	Neighborhood Center	83,000	7,268	\$9.18	1982	RIDGE SQUARE NORTH LLP
Ridge Square North	Neighborhood Center	83,000	3,000	\$9.18	1982	RIDGE SQUARE NORTH LLP
Ridge Square South	Neighborhood Center	39,570	3,113	\$10.08	1980	RIDGE SQUARE PROPERTIES
Ridgedale Festival Center	Community/Specialty	122,788	1,247		1990	KIR MINNETONKA L P
Ridgedale Festival Center	Community/Specialty	122,788	1,589		1990	KIR MINNETONKA L P
Ridgehaven Marketplace	Community/Specialty	141,010	26,210	\$12.76	1981	RH Associates LLC
Ridgewood Center	Neighborhood Center	31,644	12,000	\$10.85	1984	HJ RIDGEDALE 2021 LLC
Shoppes on 101	Strip Center	14,274	1,093	\$16.32		SHOPPES ON 101 LLC
West Ridge Market Shopping Center	Strip Center	27,388	5,094		1996	CSM WEST RIDGE INC
West Ridge Market Shopping Center	Neighborhood Center	57,424	18,520		1996	CSM West Ridge Inc
Westridge Market Shopping Center	Community/Specialty	131,611	34,124			CSM West Ridge Inc
Westridge Market Shopping Center	Community/Specialty	131,611	101,216			CSM West Ridge Inc
<b>Total</b>			<b>267,725</b>			

Source: MN-CAR

**Economic Development Advisory Commission  
Agenda Item 5.C  
Meeting of March 20, 2025**



**Title:** Economic Improvement Program (EIP)  
**Report from:** Alisha Gray, Economic Development and Housing Manager  
**Submitted Through:** Julie Wischnack, FAICP, Community Development Director

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**Action Requested:** Informational  
**Form of Action:** Report  
**Votes needed:** N/A

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**Recommended Action**

Informational

**Background**

See attached staff report.

**ATTACHMENTS:**

[2026-2030 EIP staff report](#)

## **Background**

Every year, the EDAC reviews the Economic Improvement Program (EIP). Staff developed the EIP to consolidate programming relating to economic development, housing, transportation, and development tools into one resource. The document grew out of a conversation to combine programs and strategies into one document, which allowed for a future projection of investment and potential funding sources. The document contains metrics for programming and ten-year projections for revenues to fund specific programs.

The EDAC will review the draft EIP at the May 8, 2025 meeting, and the city council will review a draft of the document at the June 16 study session; the EDAC will review the final draft on Aug. 14 before council adoption, which is scheduled for Sept. 8.

## **EIP Review**

The existing [2025-2029 EIP](#) is a reference for discussion to help prepare commissioners to identify any changes or priorities for the 2026-2030 document.

Components of the EIP include:

- EIP Policy page (Chapter 1). Defines what funding categories the different programs will fall under and details the funding principles.
- EIP Program Pages (Chapters 2 through 7). Each of the city's existing and potential future economic development efforts has its own program page. The program page will detail the program description, purpose, goals, budget impacts, schedule, and key measures. Additionally, it will outline the funds needed to develop or sustain the program over a period of years.
- Funding Sources and Expenditure Projections Pages (Chapter 8). A series of funding sources, expenditures, and TIF district fund balance sheets are included.
- Affordable Housing Goals Page (Chapter 9). This section focuses on how the city's progress towards meeting the affordable housing goals through these programs.
- Glossary of Terms

Feedback from the EDAC will be incorporated into the first draft of the document, which the council will review on June 16. Items for the EDAC to consider:

Are there new or trending issues that the EIP should address?

Are there specific programs that the commission would like to review more in-depth?

What programs should the EIP consider amending or rescinding?

## **Supplemental Information**

[2025-2029 EIP](#)

[Minnetonka Strategic Profile and Dashboard](#)

[Housing Storyboard](#)

**Economic Development Advisory Commission  
Agenda Item 5.D  
Meeting of March 20, 2025**



**Title:** Economic Development and Housing Updates

**Report from:** Alisha Gray, Economic Development and Housing Manager  
Kjerstin Yager, Economic Development Coordinator  
Kendyl Larson, Housing Coordinator

**Submitted Through:** Julie Wischnack, FAICP, Community Development Director

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**Action Requested:** Informational

**Form of Action:** Report

**Votes needed:** N/A

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**Recommended Action**

Informational

**Background**

See attached staff report and Community Development 2024 Annual Report

**ATTACHMENTS:**

[Economic Development & Housing staff report](#)  
[Community Development 2024 Annual Report](#)

## Transit Updates

### **METRO Green Line Extension (Southwest LRT)**

- A [drone video](#) of the entire METRO Green Line Extension is available. YouTube settings offer the option to watch the video at a double playback speed. There is also a [new video](#) explaining what systems work means.
- Light rail construction work in the suburban municipalities is confined to the rail corridor and station sites, and this electrical work stage is essentially complete in Minnetonka.
- The new 17th Avenue South extension connecting Excelsior Drive to a reconfigured 5th Street South and K-Tel Drive at Shady Oak Station is open and features a bike and a pedestrian path alongside the road.
- Trails are open from the Midtown Greenway in Minneapolis through Eden Prairie. There are no trail impacts.
- Visit the [project website](#) for more details and visuals of construction activities in Minnetonka.

### **Metro Transit Network Now**

- Metro Transit has developed a plan for transit service through 2027 through a project called Network Now. City staff have been meeting regularly to learn more about these proposed changes. This proposed plan recommends adding Sunday service to route 615, restructuring routes 23 and 612 into a new route 38 in the Opus area, and providing microtransit to portions of Minnetonka. Microtransit is a public service's version of ridesharing, similar to UberX Share or Lyft's previous Lyft Shared. The Network Now plan also makes Route 673 part of Metro Transit's Key Express Network, which means it will provide all-day, bi-directional service between downtown and the CR-73 Park and Ride.
- The full plan is available [online](#). Metro Transit will be presenting this plan, with revisions based on public feedback, to the Metropolitan Council in March 2025.

### **2024 Minnetonka Transit Study**

Nelson\Nygaard has completed the 2024 Minnetonka Transit Study. This report is meant to help the City of Minnetonka make informed decisions about opting into Metro Transit's services. To read the entire study, review the [Jan. 6, 2025 City Council packet](#).

Study's findings:

- Minnetonka has experienced a significant drop in transit ridership due to the COVID-19 pandemic. However, Minnetonka ridership numbers are recovering at a faster rate than other cities served by the same routes. More analysis would be necessary to explain this trend.
- Minnetonka is receiving a similar level of service and geographic coverage compared to its peer municipalities. Suburban cities that use Metro Transit have greater regional connectivity than those that use suburban transit providers.

- Metro Transit has the most cost-effective service on a per-passenger basis and is in the middle for operating costs per hour compared to the suburban transit providers.

Nelson\Nygaard recommends that the City of Minnetonka ask Metro Transit to:

- clearly define the future micro transit zone of service
- explore creating route options that better connect the I-394 area to Opus and downtown Hopkins
- maintain transit service on CR-101 south of Highway 7, and
- support the Key Express Network at the CR-73 Park and Ride

Given the study's findings, the city will renew its existing Transit Cooperation Agreement with Metro Transit and sign a new agreement to begin on Aug. 1, 2025. Staff also recognizes that exploring the possibility of utilizing multiple transit providers in Minnetonka could benefit the city and recommends working with suburban transit providers to learn more about this possibility. This study's findings should also help inform the 2025 Economic Improvement Program process.

### **Business Updates**

#### **Elevate Hennepin**

The City of Minnetonka partners with Hennepin County's [Elevate Hennepin](#) to provide business consulting services to businesses and aspiring entrepreneurs in Minnetonka. Hennepin County contracts with 39 business advisors to provide cohort learning opportunities, professional consulting services, and 1:1 business advising.

- Since 2020 Q4 through 2024, advisors have counseled 82 Minnetonka businesses for a total of 1,105 hours.
- In 2024, 28 Minnetonka businesses worked with Elevate Hennepin advisors for a cumulative 485 hours.
- Currently, the most accessed advisor has been Khoo Consulting, which offers marketing and brand strategy services. Since January 2023, they have provided 138 hours to Minnetonka businesses.

### **Development Updates**

<b>Projects</b>	<b>Location</b>	<b>Status</b>
<b><i>Housing</i></b>		
<a href="#">Marsh Run II</a>	11816 Wayzata Blvd	Under construction; Siding, Drywalling, etc
<a href="#">City-owned Properties</a>	Rowland/Baker	Approved, construction to begin in 2025
<a href="#">Greco Minnetonka</a>	15407/15409 Wayzata Blvd	Demoed Building, construction started
<a href="#">Minnetonka Mills (Habitat)</a>	3521 Baker Road	Approved. Waiting for permit requests.
<a href="#">Greystar/Marlowe</a>	10701 Bren Rd	Footings in, parking precast installed, building framing occurring
<a href="#">Amira Villas</a>	901 Carlson Pkwy	Building Permits Under Review

<b><i>Misc. Projects</i></b>		
Lifetime Fitness	Hwy 101/Mtka Blvd	Coffee Shop renovation permit issued
Hennepin Co. Gov. Center	Plymouth Rd	HVAC, fire dampers, renovations
Clear Springs Elem.	Co Rd 101	Exterior windows, classroom HVAC units
<b><i>Business Projects</i></b>		
Walser Kia	Wayzata Blvd	Starting footings, piling done, precast for ramp starting in Jan. 2025
Wells Fargo	Plymouth Rd	Building shell complete, next building starting March 2025
Barnes and Nobles	11500 Wayzata Blvd	Moving to Staples. Permit in review

### **Zoning Code Update**

The 2040 Comprehensive Guide Plan includes various goals related to affordable housing and equitable development. While some sections of the zoning ordinance have been periodically updated to promote a broader range of housing opportunities, other sections require additional considerations for affordability and equity.

Using the Livable Communities Act grant received in 2022, the city engaged Zone Co. to analyze the zoning ordinance relative to comprehensive plan goals. Zone Co. has completed a draft of the diagnostic analysis of our zoning code, outlining areas of code/comprehensive plan conflict and a "menu" of possible solutions. They presented the draft to the city council on Apr. 15, 2024. In July 2024, the council reviewed options for the next steps and decided to pursue a full rewrite of the zoning ordinance. The zoning ordinance rewrite process will take approximately 18 months and will begin in early 2025. Lee Jacobsohn is appointed to serve on the community workgroup.

The ordinance rewrite process includes four phases. Each phase will include two types of participation: scheduled work done by appointed or assigned participants and engagement and feedback with and given by self-selected participants.

On Feb. 26, ZoneCo staff came to Minnetonka and met with the city staff workgroup, toured the city, and conducted an evening community workgroup meeting. The staff workgroup discussed how the zoning code impacted departments and determined items staff would like to see updated for clarity and efficiency.

During the community workgroup session, the city's consultant presented information about the existing zoning ordinance and diagnostic report. Group members then shared comments on zoning issues, particularly on issues related to housing. The group then conducted a preference survey focused on setbacks and housing diversity. You can follow along with the project on the zoning ordinance [Minnetonka Matters page](#).

### **Housing Updates**

#### ***Rental Registration***

In 2023, the city council adopted a rental registry ordinance. The registration program helps the city gain a more comprehensive look at the rental market, increase communication with property

managers, and collect necessary data to support various departments, including police, fire and community development, to stay updated regarding contact information. It also provides a network for essential communications regarding resources to tenants and landlords.

The city council adopted the rental registration ordinance on [Dec. 18, 2023](#), and it went into effect on Feb. 3, 2024. Since the effective date, staff has received 372 registrations; 335 registrants are for individual units, and 37 are for multi-unit buildings. The ordinance requires all rental properties to be renewed annually to stay compliant. Staff is currently managing the first year of renewals for the registry.

In addition, staff continues to send out the monthly newsletter, Minnetonka Community Connection, to all registered rental property managers. This newsletter provides landlords with important city information to keep them up to date and to provide them with content to add to their own monthly communications with their tenants. Staff is committed to continue making these successful connections with landlords and, in turn, ensuring that tenants are updated on resources and activities available in the community.

### ***Housing Loan Programs***

#### **Down Payment Assistance - Pathways to Homeownership**

Minnetonka launched the Pathways to Homeownership program in the Fall of 2023, which provides up to \$75,000 to eligible first-time homebuyers earning up to 120 percent AMI. The loan terms provide a 0-percent interest rate with 5 percent of the loan amount forgiven annually. The borrower repays any remaining assistance if the property is sold before the 20-year term. The program supports a higher level of financial aid to offset the high cost of homeownership in Minnetonka, reducing the housing cost burden for these households and is intended to create more household wealth.

In 2024, twelve households were served by the program in 2024. The initial funds allocated for the Pathways program were fully expended by August 2024. In October 2024, the council approved an additional \$200,000 that has also been fully expended. Additional funding of \$400,000 has been approved via the budget and the HRA Levy for 2025. Funds for the program were replenished in 2025, with no new loans yet this year. Staff anticipates interest in the program this spring as the peak buying season starts.

Demographic Data for 2024:

- Nine female heads of household
- 45 years old is the average borrower's age
- \$78,317 was the average income of the borrowers
- \$35,517 was the average loan amount
- Nine households identified as White; 2 identified as Black/African American; 1 identified as Asian or Pacific Islander

#### **Other Housing Loans**

The city received \$126,599 through the CDBG Urban County Consortium for new housing

rehabilitation loans and \$125,000 supported public services serving Minnetonka residents. Ten rehabilitation projects were completed, sixteen projects are underway, and seven applications are in process.

In 2024, the HRA levy loan program for home improvement assisted three homeowners in improving their properties. The HRA levy down payment assistance program provided three loans to new homeowners in 2024.

### ***Homeless Initiatives***

A set of procedures was drafted in early 2023 to guide the city's response to residents experiencing homelessness and housing insecurity. The city partnered with His House Foundation in Fall 2022 and created a collaborative workgroup between community development, police, and legal met to discuss more ways to address the homelessness needs in our community in 2023.

#### **His House Foundation**

In 2024, the program served approximately 84 residents. His House Foundation provided emergency hotel stays, supported residents with case management and assistance to find housing.

At the Sept. 23, 2024, council meeting, the council approved extending the contract between His House Foundation and the city for an additional two years to continue supporting households in need. No additional funding requests were made for this program.

In 2024, staff researched a policy or ordinance to address homelessness encampments in the city. While the city has not experienced encampments at any great scale, staff believes it is prudent to consider how the city might address these in the future. At the [July 22, 2024](#) study session, the council was interested in developing a policy. The staff has drafted a policy and will present it to the council in 2025.

#### ***Emergency Rental Assistance***

The Minnetonka Rental Housing Assistance Program provides housing assistance payments to help prevent eviction and homelessness and maintain housing stability for eligible renters and homeowners. Renters earning up to 120 percent of the average median income (AMI) and experiencing financial hardship may receive a one-time payment of up to \$1,500 to assist with rent and utility expenses.

The city council approved \$300,000 in funding for the program in 2020. Minnetonka partnered with ICA to administer the program until Nov. 2024. At the end of the program, 218 households were assisted in direct rental assistance through the city's emergency rental assistance program. The average assistance per household was \$1,336.

In 2023, the city approved and allocated an additional \$50,000 toward rental assistance. On Oct. 7, 2024, the council approved an agreement with His House Foundation to administer the remaining \$50,000 to provide emergency rental assistance as part of their preventative homelessness work.

### [\*Housing GIS Story Map\*](#)

The staff assembled a story map that provides the council with a more interactive visual aid for accessing information about the city's housing efforts.



Photo Credit: Damon Farber Landscape Architects

# Community Development

2024 Annual Report



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## A Note from the Director

Community Development is both a process and an outcome. At its core, Community Development is the enhancement of a community in its many realms: physical, environmental, social, and economic.

The report that follows outlined the significant work done by community development staff during 2024 in support of the property owners, business owners, residents, employees and visitors to the Minnetonka. This work includes:

- Processing and review of dozens of unique planning applications, from minor setback variances to redevelopment of a 19-acre site.
- Finalization of the Climate Action and Adaption Plan and the beginning of the implementation phase.
- Significant housing support including homelessness intiatives, home loan programming, and construction collaborations.
- Economic development assistance through emergency business loans and code compliance programming.
- Roughly 600 health inspections and management of nearly as many nuisance complaints.
- Review of nearly 8700 construction-related permits and 14,000 associated inspections.
- Licensing of 1,390 facilities, business and contractors.
- Drafting 200 staff reports for presentation at over 60 city council and boards or commission meetings.

Through their dedicated work in collaboration with other city departments, community development staff have supported the city's mission to provide quality public services, while striving to preserve and enhance the distinctive charcter that makes Minnetonka a special place for everyone.

Julie Wischnack, FAICP  
Community Development Director

# Planning Division

The planning division is responsible for the review and management of physical development activities in the community. Such activities include large-scale development and redevelopment, as well as smaller subdivisions and building projects. Members of planning staff act as liaisons to the planning commission and make recommendations to both the commission and the city council.

## ✓ Total Applications

Staff processed 91 planning applications in 2024, less than both 2023 and the five-year average. That said, several of the year's larger applications proved to be complicated and controversial, requiring significant staff time.

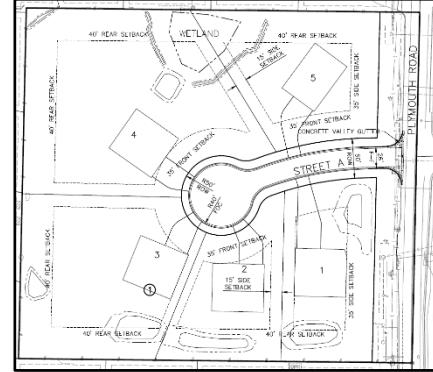
TYPES OF APPLICATIONS	2020	2021	2022	2023	2024	5-YEAR AVERAGE
Amendments to Previous Projects	1	2	1	1	1	1
Concept Review	4	7	10	5	6	6
Conditional Use Permit	21	27	21	23	21	21
Environmental Assessment Worksheet	0	0	0	0	0	0
Expansion Permit	6	4	4	7	6	6
Interim Use Permit	1	3	2	1	2	2
Guide Plan Amendment	1	0	1	1	1	1
Rezoning & Master Development Plan	9	11	6	5	9	9
Sign Plan	2	4	6	5	4	4
Site and Building Plan	13	6	4	9	8	8
Subdivision	15	19	16	12	15	15
Variance	17	21	21	22	19	19
Telecommunications Facility (admin)	7	12	7	2	7	7
Wetland/Floodplain Alteration	2	0	1	6	2	2
Zoning Text Amendment	3	5	2	1	3	3
Other	8	6	1	3	4	4
<b>TOTAL</b>	<b>110</b>	<b>127</b>	<b>103</b>	<b>103</b>	<b>91</b>	<b>107</b>

## ✓ Project Overview

Unlike recent years, when applications seemed to focus on one type of land use, applications in 2024 were varied. Several type of residential development proposals were considered, as were full redevelopment of commercial sites and important reuse/revitalization of existing buildings.

### Woodhaven of Minnetonka (single-household)

In February 2024, the city approved the subdivision of the properties at 2424 and 2440 Plymouth Road into five single-family parcels. A site development permit was issued in Aug. 2024. Construction of the new homes is anticipated to begin in Spring 2025.



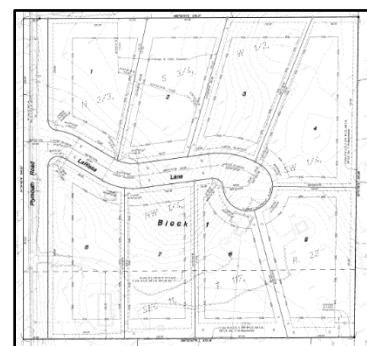
### Greco (multi-household)

In April 2024, the city approved the redevelopment of the vacant nursing home site at 15407 and 15409 Wayzata Blvd. As approved, the existing building will be removed, and two new buildings will be constructed containing 40 assisted and memory care units and 121 independent senior units. The site development permit was issued in October 2024.



### Elevare (single-household)

In July 2024, the city a proposal to subdivide the existing lots at 2511 and 2615 Plymouth Road into eight parcels. Each parcel is at least one acre in size. A site development permit was issued in December 2024 for tree removals, site preparation, utilities and stormwater management facilities, and the construction of the public street. Site development is currently underway.



## Amira Villas (multi-household)

In August 2024, the city approved the construction of eight, three-story residential buildings at 901 Carlson Parkway. The buildings will each contain two or four units, resulting in 30 new rental units on the site. Site development is currently underway and building construction is anticipated to begin in Spring 2025.



## Mills Church (multi-household)

After several years of engagement and meetings, the city approved construction of a 10 twinhome units at the Mills Church site (Minnetonka Blvd and Baker Road). The collaboration with Habitat for Humanity recently received final plat approval; construction is anticipated to begin in Spring 2025.



## Wells Fargo (redevelopment)

In June 2024, the city approved redevelopment of the Wells Fargo site near Ridgedale Center at 1809 Plymouth Road. The existing bank building will be removed and two commercial buildings will be constructed. The southern building will include bank and retail spaces, while the northern building will be occupied by restaurant and retail spaces. The retail tenants have not been confirmed to date. Construction is currently underway.



## Sears Imports (redevelopment)

In September 2024, the city approved the redevelopment of 13580 Wayzata Blvd. The approval includes Mercedes Benz Sprinter Van expanding into the entire building from an existing, smaller tenant space. The building footprint will increase slightly for an additional showroom area and maintenance and service bays. Construction is underway.



## ✓ **Concept Plan Overview**

In addition to formal applications, the planning division also coordinated the review of several concept plans in 2024. Each of the concept plan reviews included at least one neighborhood meeting – some involved several meetings – and consideration by both the planning commission and city council.

### **English Rose**

In January 2024, a concept plan was reviewed for redevelopment of the site at 12620 Minnetonka Blvd for a memory care community. The concept anticipated the removal of the existing single-household dwelling and the construction of four residential care facilities. A formal application has not been received.



### **Marsh Run III**

In September 2024, Inland Development Partners provided a concept plan to redevelop the existing property at 11800 Wayzata Blvd into 26 rental townhomes. The townhomes would be situated immediately east of the Marsh Run II apartments; this apartment project was approved last year and is currently under construction. A formal application for Marsh Run III was recently submitted; review is anticipated in March/April of this year.



## ✓ **Planning Commission**

The planning commission reviews development applications, zoning, and subdivision code changes, and amendments to the city's comprehensive plan based on the city's codes and policies. By council policy, commission members should attend at least 80 percent of the regularly scheduled meetings.

The planning commission met 19 times in 2024 and reviewed 55 individual projects. (For more information, see the Administrative Services section of this report.) For attendance records, please see the appendix.

# Sustainability Division

The sustainability division is responsible for protecting the environment and ensuring the city remains a leader in sustainability. Staff serves as liaisons to the sustainability commission and makes recommendations to both the commission and the city council.

## ✓ Staffing

Sustainability staffing fluctuated significantly throughout 2024, with primary staffing duties passing from the Sustainability Coordinator, to the City Planner, to the Community Development Director due to medical leaves and internal staffing changes. Staffing stabilized in December 2024 with the hiring of new the Sustainability Coordinator.

## ✓ Climate Action and Adaptation Plan (CAAP)

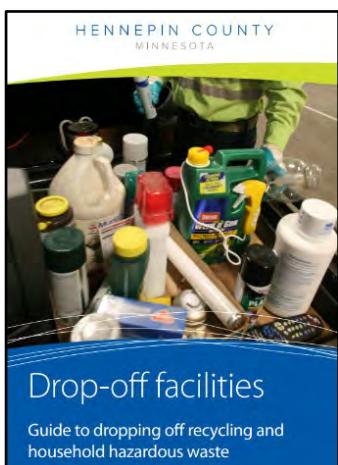
In March 2024, the commission reviewed and recommended approval of the CAAP. The council approval in April 2024 marked the end of the yearlong planning process and the beginning of the implementation phase. Throughout the remainder of the year the commission and sustainability staff worked on various strategies within the CAAP, including promoting building energy audits, renewable energy, and waste reduction, and electric vehicles and equipment.

## ✓ Work Plan Progress

In conjunction with staff, the sustainability commission worked through its city-council approved 2024 work plan. Highlights included:

**Reuse Swap.** The city hosted its first Reuse Swap encouraging residents to donate and take home secondhand clothing. Seventy-six participants collected over 780 pounds of clothing for reuse.

**Hennepin County/Better Futures Special Drop Off.** In June, the city coordinated a used building materials drop off event. The event was so successful the events are currently being planned for 2025.



**Transfer Station Tour.** In December, staff and commissioners toured the Brooklyn Park Transfer Station waste drop off facility. The tour, which is open to the public upon request, highlights the importance of educating, reusing, recycling and preventing pollution.



## ✓ Sustainability Commission

The commission meets on a bi-monthly basis and volunteers at various community events throughout the year. The sustainability commission:

- Reviews and provides input on sustainability issues
- Acts as a sustainability ambassador to the community

- Serves as a resource for existing city advisory groups

By council policy, commission members should attend at least 80 percent of the regularly scheduled meetings. (For more information, see the Administrative Services section of this report.) For attendance records, please see the appendix.

# Housing and Economic Development Division

The housing and economic development division manages the community's many housing programs and supports all business activities in the city. Staff members act as liaisons to the economic development advisory commission and economic development authority and make recommendations to both these bodies and the city council.

## Housing

### ✓ **Pathways to Homeownership**

Minnetonka launched the Pathways to Homeownership program in 2023, which provides up to \$75,000 to eligible first-generation homebuyers earning up to 120 percent AMI.

The loan terms provide a 0-percent interest rate with 5 percent of the loan amount forgiven annually. The borrower repays any remaining assistance if the property is sold before the 20-year term. The program supports a higher level of financial aid to offset the high cost of homeownership in Minnetonka, reducing the housing cost burden for these households. The council approved \$300,000 to pilot the program.

In 2024, twelve households were served by the program in 2024. The initial funds allocated for the Pathways program were fully expended by August 2024. In October 2024, the council approved an additional \$200,000 that has also been fully expended. Additional dollars were allocated for 2025.

Demographic Data for 2024:

- Nine female heads of household
- 45 years old is the average borrower's age
- \$78,317 was the average income of the borrowers
- \$35,517 was the average loan amount
- Nine households identified as White; 2 identified as Black/African American; 1 identified as Asian or Pacific Islander

### ✓ **Homeless Initiatives (Dashboard/Programming)**

A set of procedures was drafted in early 2023 to guide the city's response to residents experiencing homelessness and housing insecurity. Additional efforts included:

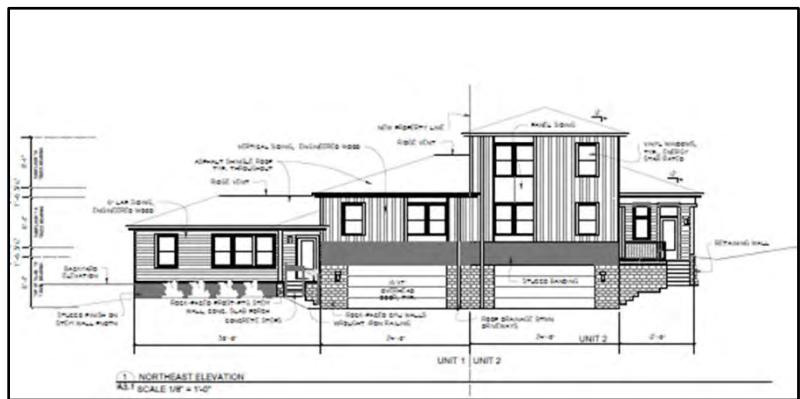
- The city partnered with His House Foundation in 2022 to start the Emergency Homelessness Assistance pilot program to help address an increasing need for resources for our homeless population. In 2024, the program served approximately 84 residents. His House Foundation provided emergency hotel stays, supported residents with case management and assistance to find housing.



- A collaborative workgroup between CD, Police, and Legal departments met to discuss more ways to address the homelessness need in our community. The group prioritized drafting a homeless encampment policy.
- The workgroup created an internal homelessness dashboard to track homeless data and understand who is accessing the homelessness program and other resources. The police department uses the intake form for internal use. The dashboard has helped staff identify 36 potential homeless situations and provided resources to those who want them.

✓ 5432 Rowland Rd

In 2024, Amani Construction was selected to develop a twin home on the property after an RFI process. Staff worked with Amani Construction to complete a purchase and development agreement. The project will include two 3-bedroom units and incorporate sustainable features to reduce energy use and costs for future owners.



The units will be sold to an affordable buyer, earning 80% of the area's median income or less (in 2024, the maximum sales price is \$290,300). The total project cost is \$1,431,980, or \$347 sq. ft. Construction of the twin homes will commence in 2025.

## ✓ Rental Assistance

The Minnetonka Rental Housing Assistance Program provides housing assistance payments to help prevent eviction and homelessness and maintain housing stability for eligible renters and homeowners. Renters earning up to 120 percent average median income (AMI) and experiencing financial hardship may receive a one-time payment of up to \$1,500 to assist with rent and utility expenses.

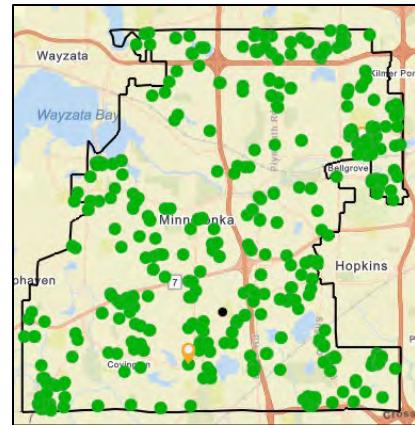
- Since 2021, the funding supported 218 Minnetonka households with an average assistance of \$1,336 per household.
- 67 percent of recipients were female heads of household.
- Starting in Fall 2024, His House Foundation took over the administration of the program on behalf of the city. ICA previously administered the funds.

## ✓ Rental Registry

Minnetonka developed a rental registration ordinance that was adopted on Dec. 18, 2023 and went into effect Feb. 3, 2024. The rental registration program aims to help the city gain a comprehensive look at the rental market, increase communication with property managers, and collect necessary data to support various departments to stay updated regarding contact information. It also provides a network for essential communications to tenants and landlords.

regarding resources and law changes. The ordinance requires all rental properties to be renewed annually to stay compliant.

In 2024, the city received 372 registrations; 335 registrants were for individual units and 37 were for multi-family buildings. In addition, staff started a monthly newsletter, Minnetonka Community Connection, which is sent to all registered rental property managers. This newsletter provides landlords with important city information to keep them up to date and to provide them with content to add to their own monthly communications with their tenants.



#### ✓ **Housing Loan Programs**

The city received \$126,599 through the CDBG Urban County Consortium for new housing rehabilitation loans and \$125,000 supported public services serving Minnetonka residents. Ten rehabilitation projects were completed, sixteen projects are underway, and seven applications are in process.

In 2020, the council allocated \$207,500 to create an emergency rehab program exclusively for Homes Within Reach (HWR) residents to make needed home repairs. Under this program, each homeowner could receive a one-time grant of \$7,500. In 2024, five HWR homeowners completed projects. The program expired on Sept. 30, 2024.

In 2024, the HRA levy loan program for home improvement assisted three homeowners in improving their properties. The HRA levy down payment assistance program provided three loans to new homeowners in 2024.

#### ✓ **Housing Compliance**

The housing staff is responsible for tracking affordability for previously approved rental and homeownership projects with mandated affordability requirements. Each year, economic development staff spends time preparing maximum resale reports for homeowners, contacting rental properties to obtain annual rental compliance information, and counseling homeowners looking for affordable housing opportunities.

- Staff directly monitors 1051 housing units across 15 multi-household housing buildings.
- Staff monitors 127 price-restricted ownership units to ensure continued compliance with annually adjusted resale price restrictions.

## Tax Increment Financing Updates (TIF)

- ✓ In October, Ehlers presented the 2024 TIF Management Report to the city council. The TIF Management report is updated biannually to provide a comprehensive look at the city's TIF and Tax Abatement District and their performance and provides insight into the management of each district.
- ✓ Staff requested special legislation to extend the term of the Opus TIF district, this request is moving forward in 2025.
- ✓ Staff requested capital bonding funding for the Marsh and Opus infrastructure projects. The full project funding request was not approved in 2024 but is proposed for 2025.



## Economic Development

- ✓ **Open to Business/Elevate Hennepin**

In 2024, Open to Business provided 104 hours of direct technical assistance to seven Minnetonka clients. Of those clients, three were women entrepreneurs, four were BIPOC entrepreneurs, and four were low-wealth entrepreneurs (less than 80% AMI household income).

In 2020, the city partnered with Hennepin County's Elevate Hennepin Program with 39 business advisors. This program provides free business advising and technical assistance to entrepreneurs and business owners in Hennepin County. In 2024, Elevate Hennepin served 28 Minnetonka businesses with 485 hours of technical assistance.

- ✓ **Emergency Business Loan and Code Compliance Programs**

The emergency business loan program provides grants of up to \$2,500 for businesses experiencing an emergency or unexpected financial burdens. In 2024, one business received a \$2,500 loan.

The commercial code compliance program offers 2-percent fixed interest loans up to \$25,000 for eligible commercial properties that need to address active property maintenance corrective orders issued by the city. In 2024, one businesses used the commercial code compliance program to obtain an \$11,522.70 loan.

## ✓ **Transit Study**

Nelson\Nygaard conducted a transit study on behalf of the City of Minnetonka this year. This report is meant to help the City of Minnetonka make informed decisions about opting into Metro Transit's services.

- Minnetonka has experienced a significant drop in transit ridership due to the COVID-19 pandemic. However, Minnetonka ridership numbers are recovering at a faster rate than other cities served by the same routes. More analysis would be necessary to explain this trend.
- Minnetonka is receiving a similar level of service and geographic coverage compared to its peer municipalities. Suburban cities that use Metro Transit have greater regional connectivity than those that use suburban transit providers.
- Metro Transit has the most cost-effective service on a per-passenger basis and is in the middle for operating costs per hour compared to the suburban transit providers.



Nelson\Nygaard recommended that the City of Minnetonka ask Metro Transit to:

- Clearly define the future micro transit zone of service;
- Explore creating route options that better connect the I-394 area to Opus and downtown Hopkins;
- Maintain transit service on CR-101 south of Highway 7, and
- Support the Key Express Network at the CR-73 Park and Ride

Given the study's findings, the city will continue its existing Transit Cooperation Agreement with Metro Transit and renew a new agreement to begin on Aug. 1, 2025. Staff also recognizes that exploring the possibility of utilizing multiple transit providers in Minnetonka could benefit the city and will work with suburban transit providers to learn more about this possibility.

## ✓ **Business Survey and Commercial Study**

The Morris Leatherman Company has been contracted to conduct a business survey. This survey builds upon the data received from the 2021 business survey, providing updated information on the state of the local economy and identifying any program, assistance or outreach changes that may be necessary to connect with businesses. Businesses were contacted via phone in late January 2025, and results should be available by the end of February 2025.

Marquette Advisors has been contracted to conduct a commercial market analysis for the city. Marquette Advisors last conducted a commercial market analysis for Minnetonka in 2018. The updated commercial market analysis will provide an assessment of retail, office, and industrial real estate market conditions, including their historical supply and demand, vacancy rates, and rental rates in Minnetonka as compared to the west metro and the Twin Cities metro as a whole. Marquette Advisors will also evaluate employment statistics, industry changes, and

consumer spending to forecast future demand and supply of real estate. This analysis will help inform the City of Minnetonka on whether the city has a sufficient supply of space and if the types of space match future commercial demands.

✓ **Grants**

Using the Livable Communities Act grant awarded in 2022, the city engaged Zone Co. in 2023 to analyze the zoning ordinance relative to comprehensive plan goals. Throughout the year, Zone Co. has analyzed the city's zoning code and drafted a diagnostic report that was presented to the city in April 2024. The report outlined areas of code/comprehensive plan conflict and a "menu" of possible solutions. In July 2024, the council reviewed options for the next steps and decided to pursue a full rewrite of the zoning ordinance. The zoning ordinance rewrite process will take approximately 18 months and will begin in early 2025.

The city was awarded two Metropolitan Council grants in December 2024. The city partnered with Twin Cities Habitat for Humanity, receiving \$500,000 for the Minnetonka Mills Townhome project for general construction and with Homes Within Reach, receiving \$180,000 for scatter site acquisition and rehab.

✓ **Thrive**

Thrive Minnetonka	2021	2022	2023	2024
Newsletters Produced	3	3	3	2
Business Mailings	1,203	1,208	1,247	1,265
Electronic Subscribers	1,010	1,515	1,904	2,088
Business Assistance Meetings	13	10	12	28

✓ **EDAC Meetings and Members**

The economic development advisory commission (EDAC) advises the city council regarding economic development, housing and redevelopment, and transit matters.

The economic development advisory commission met five times in 2024 and reviewed 11 projects. (For more information, see the Administrative Services section of this report.) For attendance records, please see the appendix.

# Environmental Health Division

The environmental health division is responsible for general public health within the community. This includes ensuring compliance with state food and lodging requirements and investigating and resolving nuisance complaints.

## ✓ Plan Review

The number of plan reviews increased slightly in 2024.

	2020	2021	2022	2023	2024	5-YR Average
Plan Reviews	8	13	24	11	12	14

## ✓ Establishments Inspected

Overall, Minnetonka inspections decreased in 2024; however, the number remained above the five-year average.

	2020	2021	2022	2023	2024	5-YR Average
<b>Minnetonka</b>						
Routine Food Inspections	295	327	432	392	380	365
Re-Inspections	28	42	82	65	63	56
Swimming Pool Inspections	Not tracked	116	97	89	96	100
Lodging Inspections		17	9	9	9	11
Body Art/Massage Inspections	Not tracked		18	23	19	20
Subtotal	323	502	638	578	567	522
<b>Wayzata</b>						
Routine Food Inspections	74	75	83	77	99	82
Re-Inspections	11	21	12	5	16	13
Swimming Pool Inspections	Not tracked	11	13	12	10	12
Lodging Inspections		3	3	3	3	3
Subtotal	85	110	111	97	128	106
<b>TOTAL</b>	408	612	749	675	695	628

\* Minnetonka has provided plan review and inspection services to Wayzata for 10 years. Wayzata decided not to continue its contract with Minnetonka beginning Jan. 1, 2025.

✓ **Health Investigations**

While food-related investigations decreased significantly in 2024, suspected food-borne illnesses increased slightly.

Complaint Investigations	2020	2021	2022	2023	2024	5-YR Average
Food-Related	59	29	17	40	7	30
Suspected Food-borne Illness	10	18	19	29	35	22
Pools and Beaches	1	2	4	4	2	3
<b>TOTAL</b>	<b>70</b>	<b>50</b>	<b>40</b>	<b>73</b>	<b>44</b>	<b>55</b>

✓ **Nuisances and Abatements**

Nuisance complaints and abatements increased in 2024.

	2020	2021	2022	2023	2024	5-YR Average
Nuisance Complaints	522	510	484	437	556	502
Citations Issued	2	1	1	4	2	2
Abatements	13	12	5	5	6	8

# Building Division

The building division is responsible for review and management of construction activities in the community. This includes evaluating plans to ensure compliance with state and international construction codes, issuing permits for work, and inspecting construction projects.

## ✓ All Permits Issued

The total number of construction permits issued in 2024 was higher than in 2023 but just under the five-year average.

PERMITS ISSUED	2020	2021	2022	2023	2024	5-YR AVERAGE
Building	2,596	3,305	2,475	2,347	2,652	2,675
Electrical	2,071	2,490	2,486	2,425	2,546	2,404
Mechanical	1,719	1,922	1,970	1,722	1,636	1,794
Plumbing and Sewer/Water	1,638	1,798	1,875	1,894	1,835	1,808
<b>TOTAL</b>	<b>8,024</b>	<b>9,515</b>	<b>8,806</b>	<b>8,388</b>	<b>8,669</b>	<b>8,680</b>

## ✓ All Permits Issued – Construction Value

Construction value increased in all permit categories in 2024. This was primarily due to the construction of new apartment buildings, as well as significant remodels of office and commercial spaces.

CONSTRUCTION VALUE	2021	2021	2022	2023	2024
Building	\$186,195,575	\$206,062,321	\$300,268,016	\$138,380,920	\$309,124,676
Electrical	\$17,991,991	\$14,327,905	\$24,950,305	\$14,942,750	\$18,278,837
Mechanical	\$23,617,137	\$19,751,482	\$28,291,529	\$21,508,741	\$25,738,951
Plumbing and Sewer/Water	\$8,641,984	\$12,719,367	\$20,896,005	\$10,130,367	\$16,506,931
<b>TOTAL</b>	<b>\$236,446,687</b>	<b>\$252,861,075</b>	<b>\$374,405,855</b>	<b>\$184,962,778</b>	<b>\$369,649,395</b>

## ✓ Building Permits Issued – Commercial

The number of commercial building permits issued in 2024 was more than both 2023 and the five-year average.

PERMITS ISSUED	2020	2021	2022	2023	2024	5-YR Average
New, includes multi-household	7	7	9	0	7	6
Addition, Remodel, Maint.	135	150	227	211	243	193
Tenant Finish	23	28	22	26	32	26
Misc. (Demo, Move Bldg)	2	5	2	0	12	4
<b>TOTAL</b>	<b>167</b>	<b>190</b>	<b>260</b>	<b>237</b>	<b>294</b>	<b>230</b>

Several large projects occurred in 2024 with values over \$3 million.

PROJECT	LOCATION	VALUE
The Marlowe Apartments (new)	Red Circle Drive	\$72,526,000
Marsh Run II Apartments (new)	Wayzata Blvd	\$43,500,000
Greco (new)	Clare Lane	\$23,107,941
Walser Kia (new)	Wayzata Blvd	\$16,000,000
Stratasys (remodel)	Opus Parkway	\$7,000,000
Cargill (remodel)	McGinty Road	\$6,025,000
Sears Imported Autos Mall (remodel)	Wayzata Blvd	\$4,800,000

## ✓ Building Permits Issued – New Single-Household Dwellings

Thirty-three permits were issued in 2024 for new, detached single-household permits; more than was issued in 2023. The average permit value and floor area both decreased. It is important to note that the values in the chart below do not include land values.

NEW HOMES	2020	2021	2022	2023	2024
Number of Permits	42	37	42	25	33
Average Permit Value	\$566,728	\$633,067	\$775,065	\$1,114,135	\$987,078
Average Area <sup>1</sup>	4,650 sq.ft.	4,758 sq.ft.	4,950 sq.ft.	5,568 sq.ft.	5,415 sq.ft.

Two-thirds of the permits issued were for homes over \$800,000 in construction valuation. Valuation per square foot ranged significantly from \$65.42 to \$403.77

<sup>1</sup> For single-household homes, floor area is defined as “the sum of the following as measured from exterior walls: the fully exposed gross horizontal area of a building, including attached garage space and enclosed porch areas, and one-half the gross horizontal area of any partially exposed level such as a walkout or lookout level.” The average total area of the homes constructed in 2024 was 6,497 sq.ft.

VALUATION RANGE	NUMBER OF HOMES	SIZE RANGE
\$400,000 to \$600,000	4	3,012 sq.ft. to 4,676 sq.ft.
\$600,001 to \$800,000	6	3,122 sq.ft. to 5,855 sq.ft.
\$800,001 to \$1,000,000	12	3,635 sq.ft. to 8,252 sq.ft.
\$1,000,001 to \$2,000,000	11	2,972 sq.ft. to 7,937 sq.ft.

#### ✓ **Building Permits Issued – Reinvestment in Single-Household Dwellings**

The number of residential addition, remodel, and maintenance/repair permit applications was slightly more than in 2023. However, the total valuation and average permit value were slightly less.

REINVESTMENT	2020	2021	2022	2023	2024
Number of Permits	2,323	2,581	2,169	1,867	2,213
Total Permit Value	\$41,673,465	\$54,058,614	\$57,193,587	\$75,127,883	\$58,118,547
Average Permit Value	\$17,940	\$20,945	\$26,368	\$39,892	\$26,262

#### ✓ **ePermits**

Online permit applications continue to far exceed in-person application submittal. The convenience and ease of applying for a permit online are clearly indicated; only three percent of construction permit applications were made "over the counter" in 2024.

PERMITS	2020	2021	2022	2023	2024
Total Permits	8,024	9,515	8,806	8,388	8,669
ePermits	7,303	9,056	8,318	8,037	8,405
Percent ePermits	91%	95%	95%	96%	97%

#### ✓ **Inspections**

Total inspections decreased in 2024.

Inspection Type	2020	2021	2022	2023	2024	5-YR AVERAGE
<b>Deephaven, Woodland, and Greenwood</b>						
Building	6,840*	7,787*	7,278*	5,852	5,295	5,574
Electrical	3,740	3,769	3,671	3,939	3,484	3,721
Mechanical	4,200	3,894	4,348	3,223	2,496	3,632
Plumbing	3,487	3,842	4,887	3,322	2,739	3,655
<b>TOTAL INSPECTIONS</b>	18,267	19,292	20,184	16,336	14,014	17,619

<b>TOTAL</b>	1,552 hours	1,842 hours	1,575 hours	1,230 hours	351 permits 404 insp.	-
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\*These building permit inspection numbers also reflect the "closing out" of hundreds of years/decades-old permits

### **Greenwood, Deephaven, and Woodland**

For many years, Minnetonka provided permit review and inspection services for the cities of Greenwood, Deephaven, and Woodland. Though the process technically worked, it was confusing for residents and contractors working in these communities and cumbersome for city staff. (Permits were applied for at the individual cities, Minnetonka inspectors reviewed the permit applications, Minnetonka administrative staff contacted the individual cities not notify them the permits had been approved, the individual cities took payment, and Minnetonka charged the cities for its time.) In 2024, Minnetonka took over the intake, processing, and payment collection for all permits for Greenwood and for electrical permits for the Deephaven and Woodland. (Deephaven and Woodland contract through a private company for all other permitting.) Instead of charging the communities for Minnetonka time, Minnetonka administrative staff now reimburse the cities for their portion of fees. The new process has streamlined the permitting process and has received compliments from area residents and contractors alike.

# Licensing

Licensing staff are responsible for the administration of on- and off-sale liquor, food, and lodging establishment licenses. Solicitors and certain contractors and businesses must also obtain city licenses periodically.

## ✓ Licensed Facilities

The number of licensed facilities increased in 2024 and was higher than the five-year average.

Licensed Facilities	2020	2021	2022	2023	2024	5-YR Average
Food Facilities	453	444	421	426	444	438
Special Event Food Vendors	16	25	44	32	37	31
Lodging Facilities	20	19	10	12	10	14
Public Pools	79	79	79	85	87	82
Other – massage, bowling, food vending, refuse haulers pet shops, and body art	42	40	44	47	54	45
<b>TOTAL</b>	<b>610</b>	<b>607</b>	<b>598</b>	<b>602</b>	<b>632</b>	<b>610</b>

## ✓ Contractor Licensing

Contractors can apply for one, two, or three-year licenses. As such, staff expects fluctuation in these numbers from year to year. The increase in 2024 licensure was primarily due to three-year licenses purchased in 2021 expiring.

	2020	2021	2022	2023	2024	5-YR Average
Gas	140	208	132	128	177	157
Warm Air	109	165	115	110	164	133
Refrigeration	69	108	73	74	111	87
Steam/Hot Water	54	96	54	70	95	74
Fireplace Only	4	6	3	2	2	4
<b>TOTAL</b>	<b>376</b>	<b>583</b>	<b>377</b>	<b>384</b>	<b>549</b>	<b>454</b>

✓ **Business Licensing**

There was a notable increase in peddler/solicitor licenses in 2024.

	2020	2021	2022	2023	2024	5-YR Average
Dumpsters/Portable Containers	1	1	0	1	0	1
Pawn/Precious Metal/Secondhand	4	4	3	3	3	3
Peddler/Solicitor	89	68	19	38	111	65
Tobacco	27	27	27	28	29	28
<b>TOTAL</b>	<b>121</b>	<b>100</b>	<b>49</b>	<b>70</b>	<b>143</b>	<b>97</b>

✓ **Liquor Licensing**

Total liquor licensing decreased in 2024.

	2020	2021	2022	2023	2024	5-YR Average
On-Sale Intoxicating Liquor	23	21	23	23	22	22
Off-Sale Intoxicating Liquor	10	10	11	11	11	11
On-Sale Wine	14	15	14	13	11	13
1On-Sale 3.2 Percent Malt Liquor	15	15	14	13	11	14
Off-Sale 3.2 Percent Malt Liquor	2	1	1	1	2	1
On-Sale Brewers Taproom	2	2	2	2	2	2
Temporary Liquor	1	6	8	10	10	7
<b>TOTAL</b>	<b>67</b>	<b>70</b>	<b>73</b>	<b>73</b>	<b>69</b>	<b>70</b>

# Community Development Administrative Services

## ✓ Packets and Agenda Items

Staff is responsible for producing packets for the economic development advisory commission (EDAC), sustainability commission and planning commission. In addition, the staff is integral in the production of packets for the economic development authority (EDA) and the city council.

In 2024:

- Staff produced – or assisted in producing – 65 packets, more than one per week.
- These packets include 205 reports written by community development staff.

	2023		2024	
	Packets	Reports	Packets	Reports
City Council	21	101	23	98
City Council Study Session	6	9	7	9
Economic Development Authority	9	12	6	8
Economic Development Advisory Commission	6	15	5	11
Planning Commission	21	71	19	55
Sustainability Commission	7	21	5	24
<b>TOTAL</b>	<b>70</b>	<b>229</b>	<b>65</b>	<b>205</b>

## ✓ Minnetonka.gov

SUBSCRIBERS	2021	2022	2023	2024
EDAC Packet	718	878	1,035	1,089
Planning Commission Packet	898	1071	1,254	1,323
Sustainability Packet	611	426	619	674

# Staffing

Community Development is comprised of 25 full and permanent part-time positions. The city continues to employ at least two part-time/on-call staff to assist with inspections. All of these staff members bring education, experience, licensing and expertise to their positions in the city. Staff further serve the broader region through their membership and leadership on a variety of committees, panels, and workgroups.

✓ **Degrees**

Bachelor's Degree in Animal Science  
Bachelor's Degree Biology  
Bachelor's Degree in Criminal Justice  
Bachelor's Degree in English  
Bachelor's Degree in Food and Nutrition and Community Health  
Bachelor's Degree in Food Science  
Bachelor's Degree in Geography  
Bachelor's Degree in Geography and Social Studies Teaching  
Bachelor's Degree in Global Development  
Bachelor's Degree in History  
Bachelor's Degree in Microbiology  
Bachelor's Degree in Spanish  
Bachelor's Degree in Urban Studies (2)  
Bachelor's Degree in Urban and Regional Studies  
Master's Degree in Public Administration  
Master's Degree in Science, Technology and Environmental Policy  
Master's Degree in Urban and Regional Planning (3)  
Master's Degree in Urban and Regional Studies  
Master's Degree in Public Health  
Master's Degree in Public Policy  
North Hennepin Technical College Electronic Servicing graduate  
North Hennepin Community College Building Inspection Technology Program graduate

✓ **Certifications**

Basic Economic Development Certificate (Economic Development Association of MN)  
Certified Planner, American Institute Certified Planners (2)  
Certified Pool Operator  
College of Fellows, Certified Planner, American Institute Certified Planners (1)  
City of Minneapolis Certified Plumber  
City of Minneapolis Certified Gas Fitter  
City of St. Paul Certified Plumber  
City of St. Paul Certified Gasfitter  
Equity and Diversity Certificate (University of MN)  
Immigration Law Certificate (University of MN)  
ICC Certified Commercial Building Inspector  
ICC Certified Commercial Plans Examiner  
ICC Certified Commercial Mechanical Inspector  
ICC Certified Residential Building Inspector (4)  
ICC Certified Residential Mechanical Inspector  
ICC Certified Property Maintenance Inspector  
Management Certificate (Metropolitan Council)  
MN Accessibility Specialist (2)

MN Certified Backflow Tester  
MN Certified Backflow Rebuilder  
MN Certified Building Official (5)  
MN Certified Building Official, Limited  
MNDNR Certified Firearm Safety Instructor  
MN Certified Master Gas Fitter  
MN Certified Master Warm Air  
MN Certified Plumbing Plans Examiner  
MN Certified Refrigeration  
MN Master Electrician  
MN Master Plumber (2)  
Recycling Ambassador Certification, Dakota County  
Registered Environmental Health Specialist/Registered Sanitarian (3)

✓ **Committee or Community Membership**

10,000 Lakes Chapter, ICC Building Officials Board of Directors  
Adjunct Faculty, Carlson School of Management  
Advisory Services Chair, Management Committee, MN Urban Land Institute  
American Planning Association, National Member (4)  
American Planning Association, MN Chapter (4)  
Association of MN Building Officials Egress Committee  
Association of MN Building Officials Fuel Gas Code Committee  
Association of MN Building Officials Mechanical Code Committee  
Community Development Block Grant Public Service Allocation Committee  
Economic Development Association of MN  
Economic Development Finance Professional, National Development Council  
GreenSteps Member  
Hennepin County-Cities, Housing and Economic Development Coordination (2)  
Housing Development Finance Professional, National Development Council Minnesota  
Housing Task Force Chair, League of MN Cities  
I-494 Commission member  
Lamda Alpha, Land Economics, MN Chapter  
Lifetime Honorary Member, MN State Fire Department Association  
Lions Foundation of Victoria, Vice President  
Lions Foundation of Victoria, Wounded Veterans Event Committee, President  
MN Association of Housing Code Officials  
Metro Cities Economic Development and Housing Policy Committee  
Minnesota Community Energy Network Member  
Minnesota Environmental Health Association (3)  
National Environmental Health Association (3)  
North Star Chapter, International Conference of Building Officials, Uniformity Committee  
Member  
North Star Chapter, International Conference of Building Officials, Board of Directors, Director  
Public Art and Community Engagement Southwest Implementation Committee  
USA Hockey Level 4 Certified Coach  
West Metro Home Remodeling Fair Committee

## APPENDIX

### Planning Commission attendance:

PC MTG	BANKS	HANSON	HENRY	MAXWELL	MINON	SEWALL	WATERMAN
Jan. 4	X	X	X	X	N/A	X	X
Jan. 18	X	X	AB	X	N/A	X	X
Feb. 1	X	X	X	X	X	X	X
Feb. 22	AB	X	X	X	X	X	X
March 7	X	X	X	AB	X	AB	AB
March 21	X	AB	AB	X	X	X	X
April 4	MEETING CANCELLED						
April 18	X	X	AB	X	X	X	X
May 2	MEETING CANCELLED						
May 16	X	AB	X	X	X	X	X
June 6	X	X	X	X	X	X	X
June 20	X	AB	X	X	X	X	X
July 18	X	AB	X	X	X	X	X
Aug. 1	X	X	X	AB	X	X	AB
Aug. 15	AB	AB	AB	X	X	X	X
Sept. 5	X	X	X	AB	X	X	X
Sept. 19	X	X	X	X	X	X	X
Oct. 10	X	X	X	AB	X	X	X
Nov. 07	X	AB	AB	X	X	X	X
Nov. 21	X	AB	X	AB	AB	X	X
Dec. 5	X	X	X	X	X	X	AB
<b>TOTAL</b>	17/19 89%	13/19 68%	14/19 74%	14/19 74%	16/17 94%	18/19 95%	16/19 84%

### Sustainability Attendance:

	BIRR	CARR	HENRY	GOLOB	MEIER	NORMAN	PATTAIN
<b>Jan. 16</b>	X	n/a	AB	X	X	X	X
<b>March 19</b>	AB	n/a	AB	X	X	AB	X
<b>May 21</b>	Meeting Cancelled						
<b>July 23</b>	X	X	X	X	X	X	X
<b>Sept. 17</b>	AB	X	X	X	X	X	X
<b>Nov. 24</b>	X	X	X	X	X	X	X
<b>TOTAL</b>	3/5 60%	3/3 100%	3/5 60%	5/5 100%	5/5 100%	4/5 80%	5/5 100%

### EDAC Attendance:

	CONNERS	DUGINSKI-CIBULKA	FALK	HAEG	HORMATKA	JACOBSON	JOHNSTON
<b>Jan. 25</b>	Meeting Cancelled						
<b>Feb. 8</b>	Meeting Cancelled						
<b>March 14</b>	X	AB	X	X	X	X	X
<b>April 11</b>	X	AB	AB	X	X	X	X
<b>May 9</b>	X	X	AB	AB	X	X	X
<b>June 27</b>	Meeting Cancelled						
<b>July 25</b>	Meeting Cancelled						
<b>Aug. 8</b>	X	AB	X	X	X	X	X
<b>Sept. 26</b>	X	AB	AB	X	X	X	X
<b>Nov. 14</b>	Meeting Cancelled						
<b>Dec. 12</b>	Meeting Cancelled						
<b>TOTAL</b>	5/5 100%	1/5 20%	2/5 40%	4/5 80%	5/5 100%	5/5 100%	5/5 100%