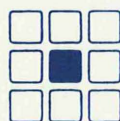




RIVERVIEW KINDERCARE SITE AND RELOCATION EVALUATION

**Prepared for
Minnesota Department of Transportation**

April 2009



McCOMB GROUP
REAL ESTATE
RETAIL CONSULTANTS

Level K

C12 - 0009

Consultant's Report

RECEIVED

APR -- 2012

LEGISLATIVE REFERENCE LIBRARY
STATE OFFICE BUILDING
ST. PAUL, MN 55155

RIVERVIEW KINDERCARE SITE AND RELOCATION EVALUATION

**Prepared for
Minnesota Department of Transportation**

**Prepared by
McComb Group, Ltd.**

April 2009

Copyright© 2009 by McComb Group, Ltd.

TABLE OF CONTENTS

<u>Chapter</u>	<u>Subject</u>	<u>Page</u>
	INTRODUCTION	1
I	KNOWLEDGE LEARNING CORPORATION	3
II	RIVERVIEW KINDERCARE	6
	Environs	6
	Zoning	15
	Visibility	15
	Access	15
	Riverview KinderCare	16
	Daycare Demographics	16
III	TWIN CITIES KINDERCARE LEARNING CENTERS.....	18
	Urban Site Criteria	19
	Suburban Site Criteria.....	19
	Median Annual Household Income	20
	Child Population Density	21
	Daytime Population	21
	Parcel Size	21
	Building Size	22
	Playground Size.....	22
	Parking Requirements	23
	Inbound Commuter Routes	23
	Safe, Secure Environment	24
	Summary	24
IV	KINDERCARE LICENSED CAPACITY AND ENROLLMENT.....	30
	Licensed Student Capacity	30
	Building Area per Licensed Student.....	30
	Licensed Students and Enrollment.....	30
	KinderCare Locations Licensed for Less Than 100 Students.....	33
	KinderCare Student Penetration Index	33
	Distance From Other KinderCare Learning Centers	35
V	RIVERVIEW KINDERCARE LEARNING CENTER RELOCATION.....	37
	Riverview KinderCare Trade Area	38
	Minneapolis Zoning Code.....	47
	Relocation	48

LIST OF TABLES

Table	Title	Page
1	KLC Learning Centers and Larger Retailers	3
2	KLC KinderCare Learning Centers; 2007 to 2009	17
3	Knowledge Learning Corporation (KinderCare) Real Estate Criteria.....	18
4	KinderCare Centers with Median Household Income Below \$60,000; 2007 Three-Mile Radius.....	20
5	KinderCare Centers with Less than 5,000 Age 0-9 Population Three-Mile Radius	21
6	KinderCare Learning Centers Daytime Population One Mile Radius; 2008.....	25
7	KinderCare Learning Centers with Less Than a One Acre Site	22
8	KinderCare Centers with Less Than 8,000 Square Feet.....	26
9	KinderCare Centers with Less Than 9,500 Sq. Ft.	27
10	KinderCare Centers with Less Than 10,000 Sq. Ft. Playground Area Estimated Playground Size.....	23
11	KinderCare Centers with Less Than 35 Parking Spaces	28
12	KinderCare Learning Centers Inbound Commuter Route Location.....	29
13	KinderCare Centers Licensed Capacity and Building Area	31
14	KinderCare Centers Licensed Capacity and Total Enrollment.....	32
15	KinderCare Learning Centers Licensed for Less Than 100 Students; 2009.....	33
16	KinderCare Learning Centers Penetration Index, 2009 Enrollment and 0 to 9 Population; 2007.....	34
17	KinderCare Centers Less Than One Mile From Each Other	35
18	Riverview KinderCare Students and Families; 2007.....	39
19	Riverview KinderCare Trade Area Characteristics	39
20	Approach Routes to Riverview KinderCare	42

LIST OF MAPS

Map	Title	Page
1	Twin Cities KinderCare Locations	5
2	Riverview KinderCare Site	6
3	KinderCare Learning Centers Less Than One Mile Apart	36
4	Riverview KinderCare Trade Area	40
5	Riverview KinderCare Trade Area Population Density: Age 0 to 9	41
6	Riverview KinderCare Trade Area Daytime Population Density: 2008	43
7	Riverview KinderCare Trade Area 2007 Median Households Income Above \$60,000	44
8	Riverview KinderCare Trade Area 2007 Percent of Households with Incomes Above \$75,000	45
9	Suburban KinderCare Learning Centers Three-Mile Rings	46

INTRODUCTION

McComb Group, Ltd. was engaged by the Minnesota Department of Transportation (Mn/DOT) to evaluate the Riverview KinderCare location at 801 SE Second Street. Work tasks conducted during this engagement are summarized below.

- ◆ A literature search was conducted to obtain information on the child care industry, its characteristics, services, and operating characteristics.
- ◆ Information on the KinderCare Learning Centers business, services offered, and ages of students for each type of service was obtained from the company's literature. This included desired facility size, site location criteria, and relationship to State of Minnesota regulations.
- ◆ The Riverview KinderCare location was visited and evaluated. Factors that were considered in this evaluation include site, accessibility, visibility, adjacent uses, zoning, and trade area demographics. Licensed capacity and enrollment in 2007 was evaluated. Knowledge Learning Corporation's (KLC) site criteria were compared with the Riverview KinderCare.
- ◆ Other KinderCare facilities in the Twin Cities were identified and were visited to identify their location and compared with KLC site criteria. Factors that were considered include, but were not limited to: licensed capacity, building and site, playground, parking, accessibility, visibility from highway, traffic counts, trade area demographics, adjacent uses, and other factors.
- ◆ Documents related to this engagement including, but not limited to: appraisals, hearing testimony, and other information provided by Mn/DOT and the Attorney General staff were reviewed.
- ◆ Research was conducted to identify relocation sites that were consistent with KLC's site criteria and met demographic characteristic criteria.

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

Report Purpose

This report was prepared in accordance with our proposal dated March 4, 2009. This report was prepared with the understanding that work products resulting from this engagement would be used in connection with State of Minnesota vs. KinderCare. Our report was prepared for that purpose and is subject to the following qualifications:

- Our analysis did not ascertain the legal and regulatory requirements applicable to this project including zoning, other state and local government regulations, permits and

licenses. No effort was made to determine the possible effect on the proposed project of present or future federal, state or local legislation, or any environmental or ecological matters.

- Our report and analysis was based on estimates, assumptions and other information developed from research of the market, knowledge of the industry and discussions with the client. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur; therefore, actual results achieved will vary from the analysis.
- Our analysis did not evaluate management's effectiveness nor are we responsible for future marketing efforts and other management actions upon which actual results are dependent.

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

Chapter I

KNOWLEDGE LEARNING CORPORATION

KinderCare is a wholly-owned subsidiary of Knowledge Learning Corporation (KLC) according to the company's website. KLC is a subsidiary of Knowledge Universe, a privately held company founded by Michael Milken, Lowell Milken and Lawrence Ellison, founder and CEO of Oracle. KLC is the nation's largest provider of childcare, operating more than 2,500 learning centers in 38 states and the District of Columbia with an enrollment of over 300,000 children. Annual revenues were over \$1.6 billion in 2007. KLC is a rapidly growing company, which has increased from 700 community centers in 2003 to over 2,500 today through acquisition of child care companies and development of new sites.

KLC's trade and business is primarily preschool daycare and education which is currently provided in over 2,500 learning centers. KLC utilizes its network of learning centers to provide educational and daycare services to children of its clients. Businesses operated by KLC include KinderCare Learning Centers, Knowledge Beginnings, and Children's Creative Learning Centers, Inc. Through a partnership with KLC, Children's Creative Learning Centers, Inc. offers a variety of on-site and near-site educational child care programs at more than 130 employer-sponsored locations nationwide.

KLC, with over 2,500 learning centers, is a very large company. To put this in perspective, Walmart (the nation's largest retailer) operates 901 discount stores and 2,611 superstores in the United States, as shown in Table 1. Target operates 1,463 discount stores and 218 SuperTargets, and Best Buy has 923 stores. In the Twin Cities Metropolitan Area, KLC has 74 learning centers in 2009. This compares to Walmart, which has 18 discount and supercenters, Target with 48 stores and Best Buy with 20 stores in the Metropolitan Area.

Table 1
KLC LEARNING CENTERS AND LARGE RETAILERS

Company	National	Twin Cities 7-County
Knowledge Learning Corporation	2,500	74
Walmart		
Discount Store	901	13
Supercenter	2,611	5
Target		
Discount Store	1,463	27
SuperTarget	218	21
Best Buy	923	20

Source: Company websites.

KLC operated 71 KinderCare Learning Centers and three Knowledge Beginnings facilities in the Twin Cities area in 2009. It does not appear that there are any Children's Creative Learning

Centers in the Twin Cities. The KinderCare locations are located throughout the Twin Cities area (as shown on Map 1) in such a way that most of the Twin Cities area households with children are served by a KinderCare near their home, their place of employment, or both. This network of daycare facilities provides convenient access for KinderCare customers and their families. Three Knowledge Beginnings learning centers are located in Eagan, Vadnais Heights, and Woodbury. In July 2007, KinderCare operated 70 learning centers. Since then, two centers have closed (Riverview and Maple Grove) and three have opened: Hudson, Rogers and Lakeville.

At the present time, KinderCare Learning Centers in the Twin Cities area have licensed capacity ranging from 75 to 185 students. Knowledge Beginnings are larger learning centers with licensed capacity of 208 students at each facility.

Total licensed capacity in 2009 is 9,028 students compared to 8,731 in 2007. Licensed capacity has increased by 297 students, an increase of 3.4 percent, because the learning centers that closed were smaller than the three that opened. Enrollment at existing KinderCare Learning Centers is over 5,600 students. McComb Group staff surveyed each KinderCare Learning Center to obtain total enrollment. Most learning centers provided total enrollment, but some reported the number of families, which is likely to be lower than total enrollment. This indicates that the KinderCare Learning Centers are operating at slightly above 63 percent of capacity. It is likely that the current recession has caused enrollment to decline from 2007.

Map 1

TWIN CITIES KINDERCARE LOCATIONS



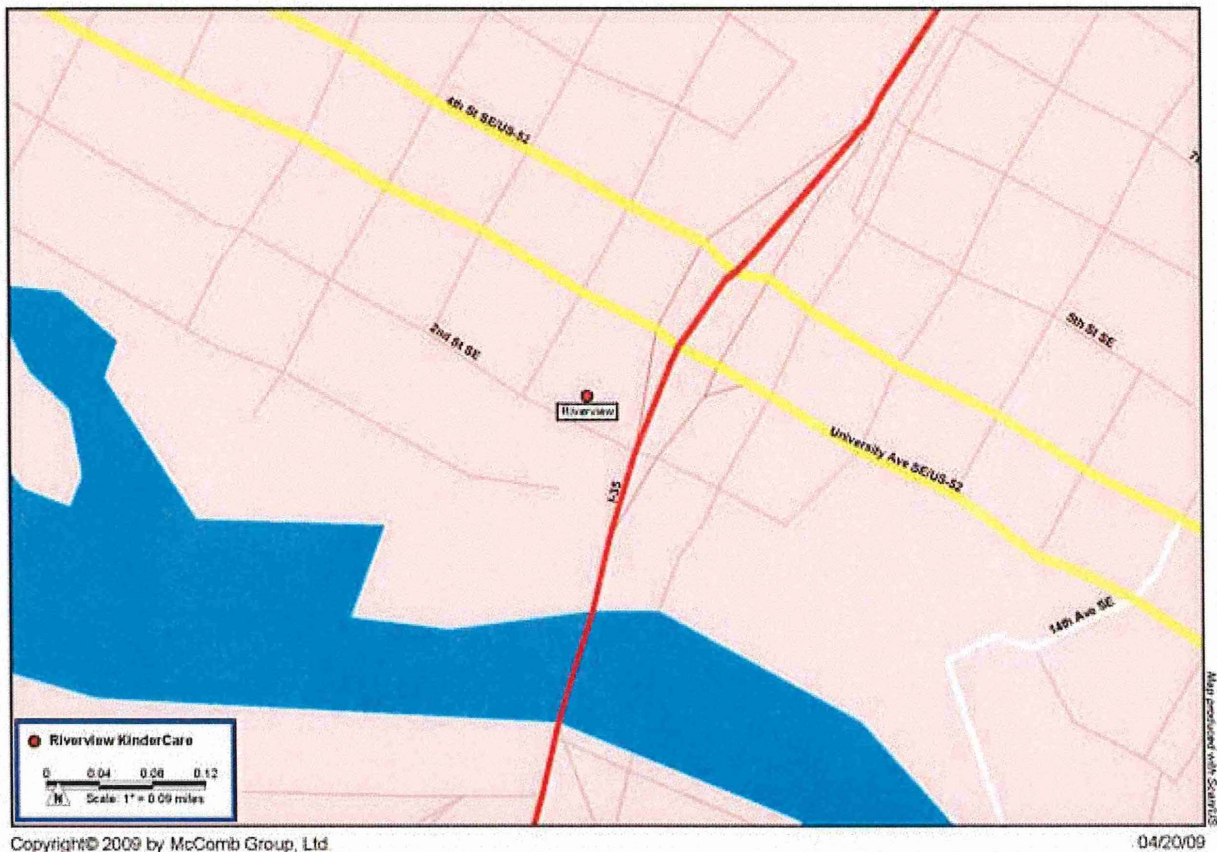
Chapter II

RIVERVIEW KINDERCARE

Riverview KinderCare was located on a parcel that was slightly less than one-half block in size on SE Second Street between I-35W and SE Eighth Avenue, as shown on Map 2. The site was bounded by the freeway on the east, industrial uses to the south and west, and multi-family residential to the north. The Riverview KinderCare site sloped to the southwest toward SE Second Street. The Riverview KinderCare site entrance was on SE Second Street.

Riverview KinderCare Learning Center had 6,175 square feet of building area and about 7,000 square feet of outdoor play area. The on-site parking area was 18 or 20 spaces depending on the source. The site was 46,336 square feet or slightly larger than one acre.

Map 2
RIVERVIEW KINDERCARE SITE



Environs

Directly across the street is the eastern portion of a large three- to four-story metal fabrication plant for Metal-Matic that extends for two blocks. One of Metal-Matic's truck docks and truck entrances is located at the east end of this building. This truck dock is used to receive raw materials and to ship finished products. This would entail daily semi-truck traffic. Across the

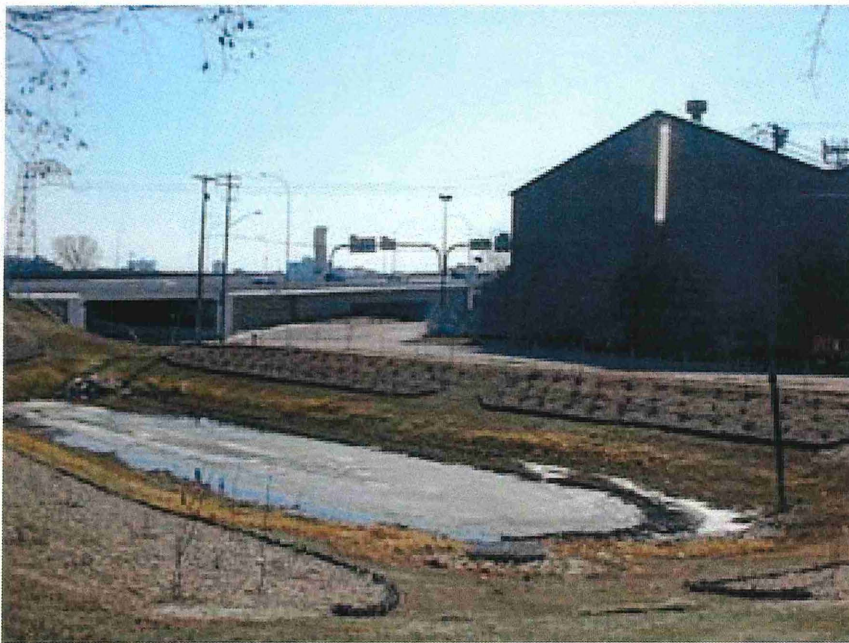
street to the west of KinderCare is the employee parking lot for Metal-Matic. Next to this lot is the truck storage and truck repair garage for Metal-Matic.

The north half of the Riverview KinderCare block and the north portion of the block to the west are occupied by apartment buildings and single family homes converted to student housing. I-35W is located to the east.

Photographs on the following pages illustrate the nature and condition of the uses surrounding the Riverview KinderCare site.

- ◆ View of former Riverview KinderCare site looking toward I-35W and the east truck dock area of Metal-Matic (Photograph 1).
- ◆ The large metal structure housing Metal-Matic manufacturing plant extends west from I-35W for two blocks to SE Seventh Street. The east loading dock and the manufacturing plant are shown in Photographs 2, 3, 4, 5 and 6.
- ◆ Industrial uses west of the former Riverview KinderCare site are shown in Photograph 7.
- ◆ Metal-Matic employee parking lot, located west of the former Riverview KinderCare site, is shown in Photographs 8 and 9.
- ◆ The residential property northwest of the former Riverview KinderCare site and its trash containers are shown in Photograph 10.
- ◆ The northern boundary of the former Riverview KinderCare site and adjacent residential properties are shown in Photograph 11.
- ◆ Residential properties north of the former Riverview KinderCare site and the condition of the areas immediately north of the Riverview KinderCare property line are shown in Photographs 12, 13, 14, 15, 16, 17, 18 and 19.
- ◆ Metal-Matic truck parking lot and repair garage are shown in Photographs 20 and 21.
- ◆ Photograph 22 shows a semi-trailer truck passing the former Riverview KinderCare site on its way to the Metal-Matic east truck dock. This truck was observed pulling into the east truck dock, but having to wait with its trailer blocking the eastbound lane of SE Second Street until a second semi-trailer truck pulled out of the truck dock area.
- ◆ The truck that pulled out from the Metal-Matic truck dock area turned to the east, stopped and then began to back up SE Second Street, as shown in Photographs 23, 24, 25 and 26. It parked south of the western portion of the former Riverview KinderCare site, as shown in Photograph 27.
- ◆ Photograph 28 shows a semi-trailer truck parked on SE Second Street, that subsequently drove east past the former Riverview KinderCare site.

During the 30 minute period that photographs were being taken at this location, five truck movements were observed on SE Second Street.

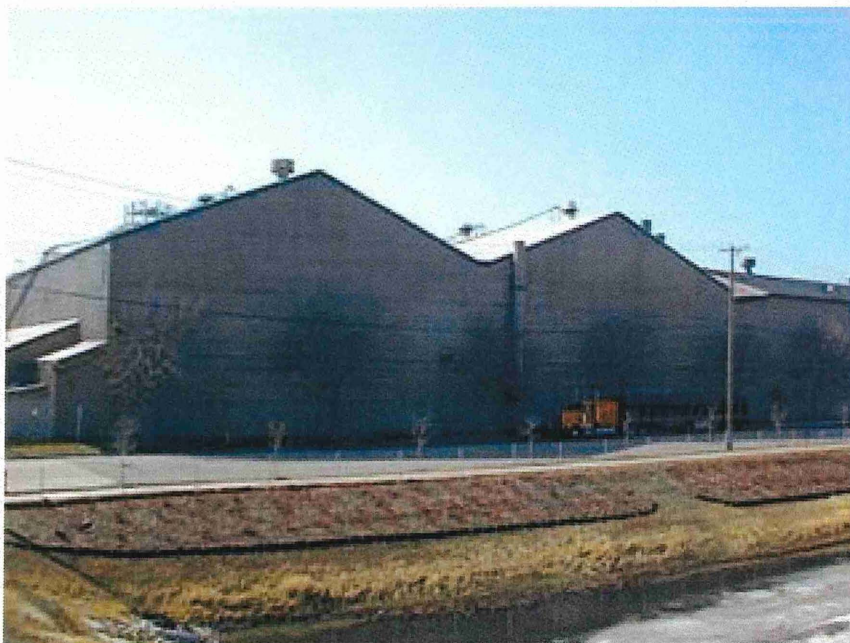


Photograph 1: Former KinderCare site and I-35W freeway

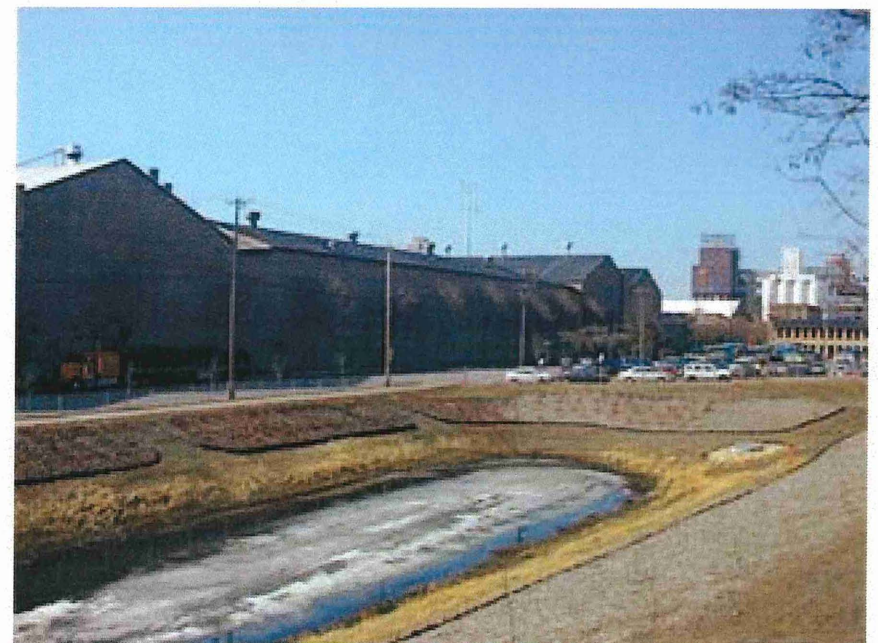


Photograph 2: Metal-Matic truck dock area south of former KinderCare site

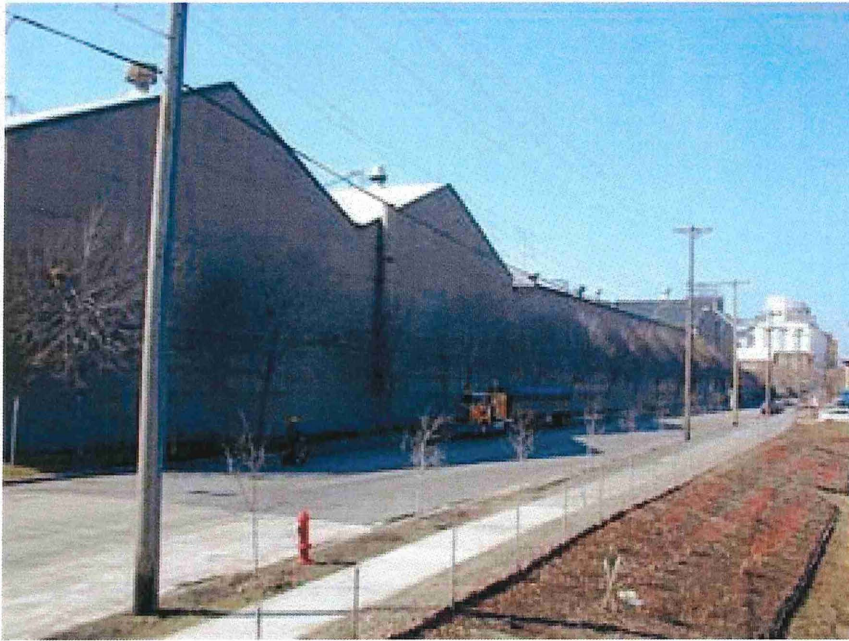
8



Photograph 3: Metal-Matic plant south of former KinderCare site



Photograph 4: Metal-Matic plant south and southwest of former KinderCare site

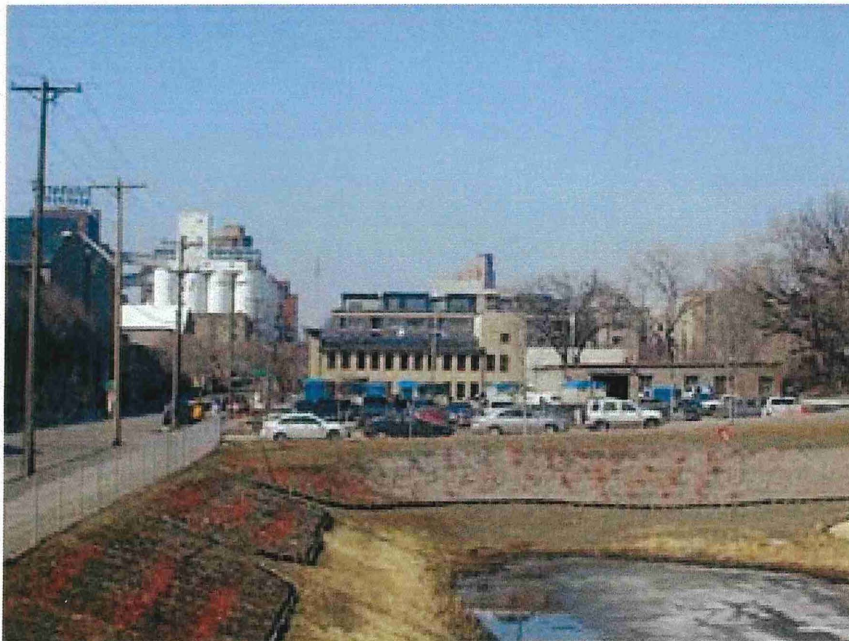


Photograph 5: Metal-Matic plant south of former KinderCare site

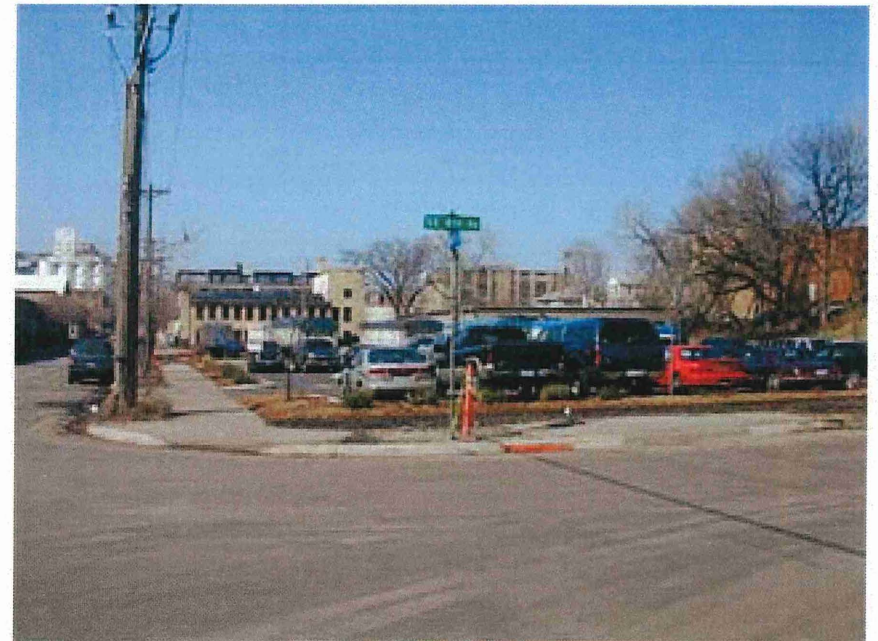


Photograph 6: Metal-Matic plant southwest of former KinderCare site

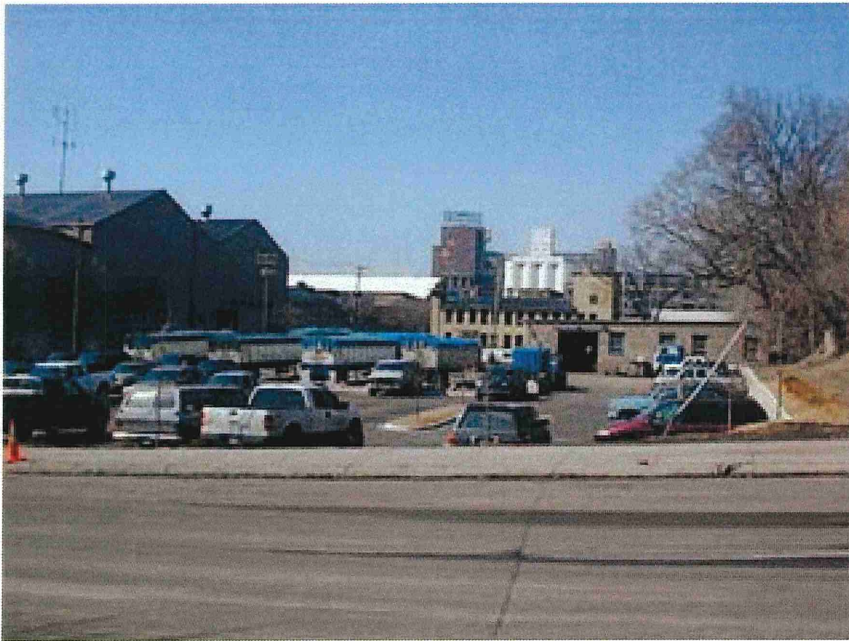
6



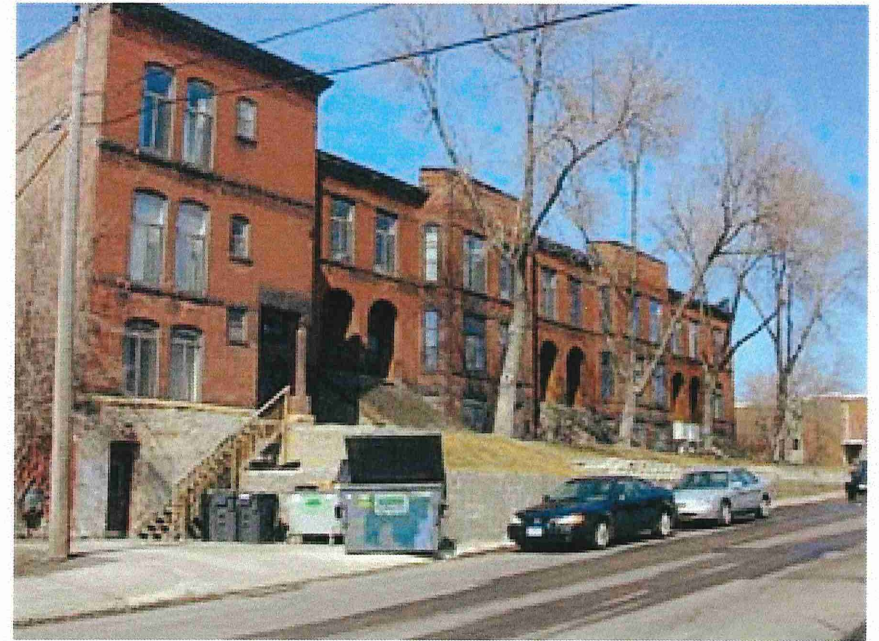
Photograph 7: Former KinderCare site looking west toward industrial uses



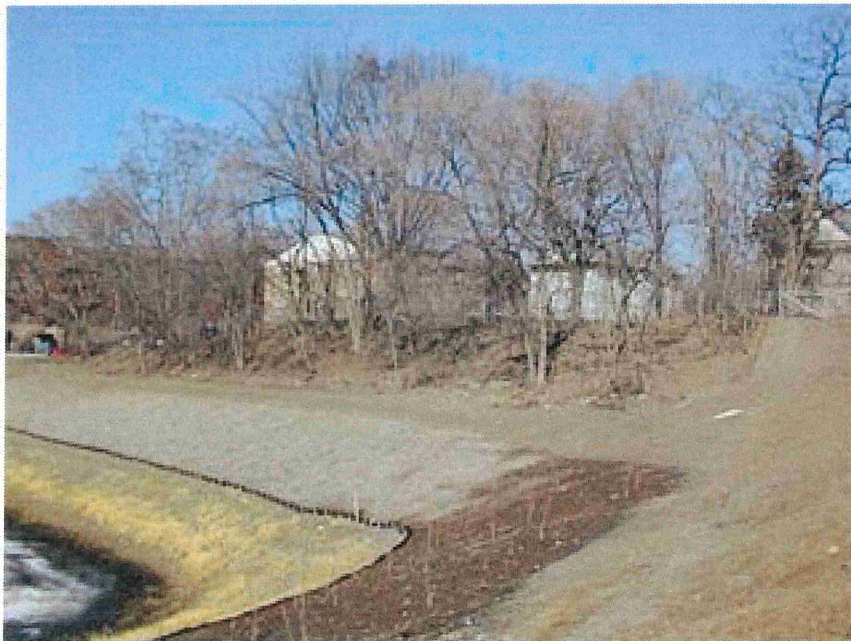
Photograph 8: Metal-Matic employee parking west of former KinderCare site



Photograph 9: Industrial properties west of former KinderCare site



Photograph 10: Residential property northwest of former KinderCare site



Photograph 11: Former KinderCare site looking northwest



Photograph 12: Residential property north of former KinderCare site



Photograph 13: Residential property north of former KinderCare site



Photograph 14: Residential property north of former KinderCare site



Photograph 15: Property north of former KinderCare site looking east



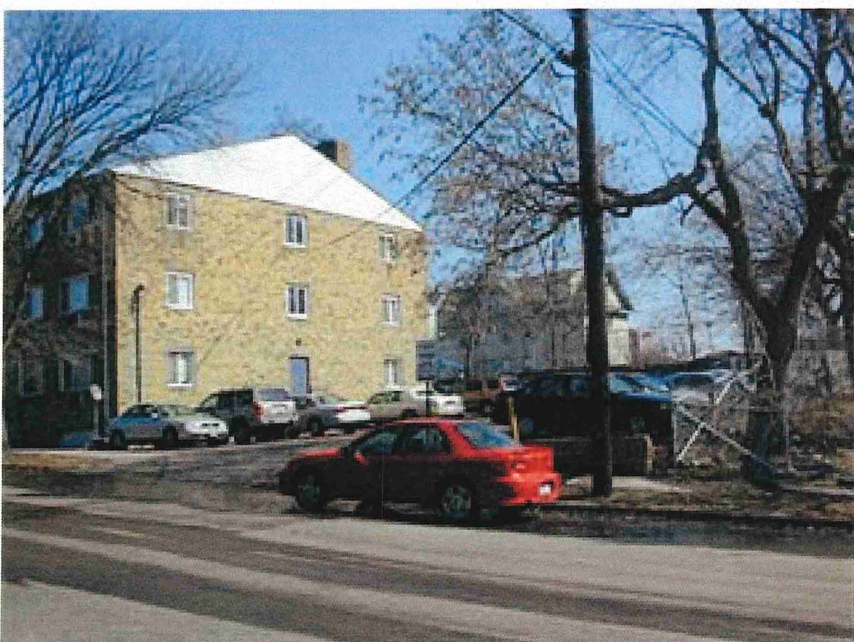
Photograph 16: Property north of KinderCare site looking west



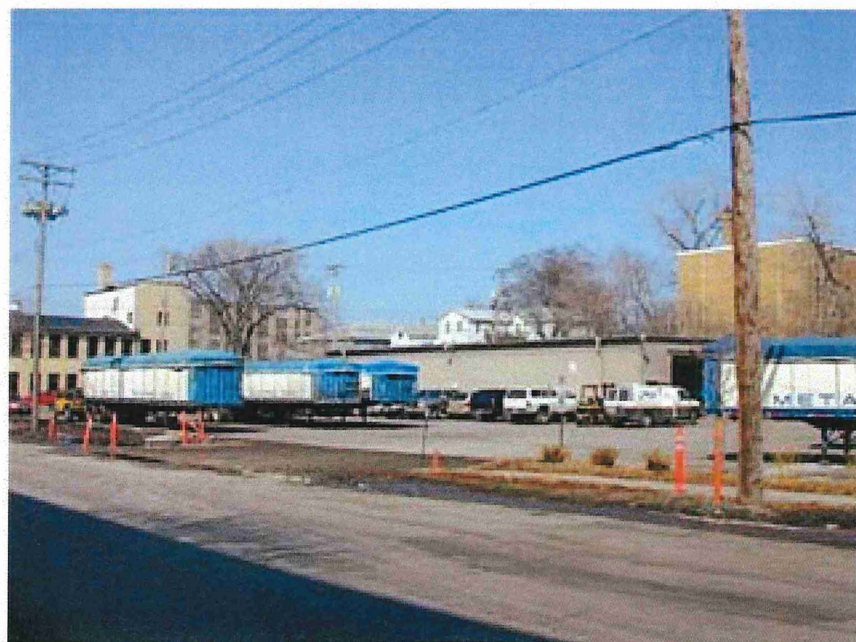
Photograph 17: Residential property north of former KinderCare site



Photograph 18: Residential properties north of former KinderCare site



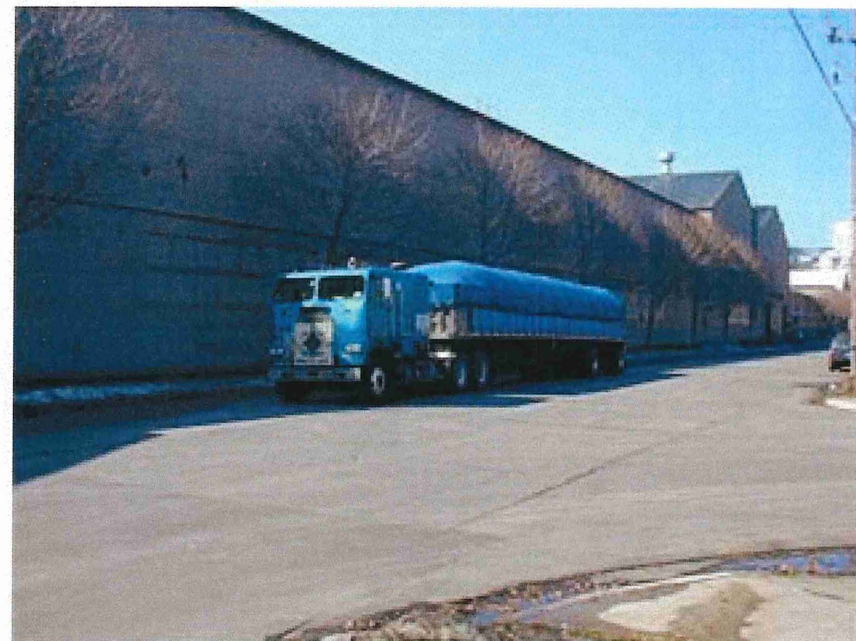
Photograph 19: Residential properties north of former KinderCare site



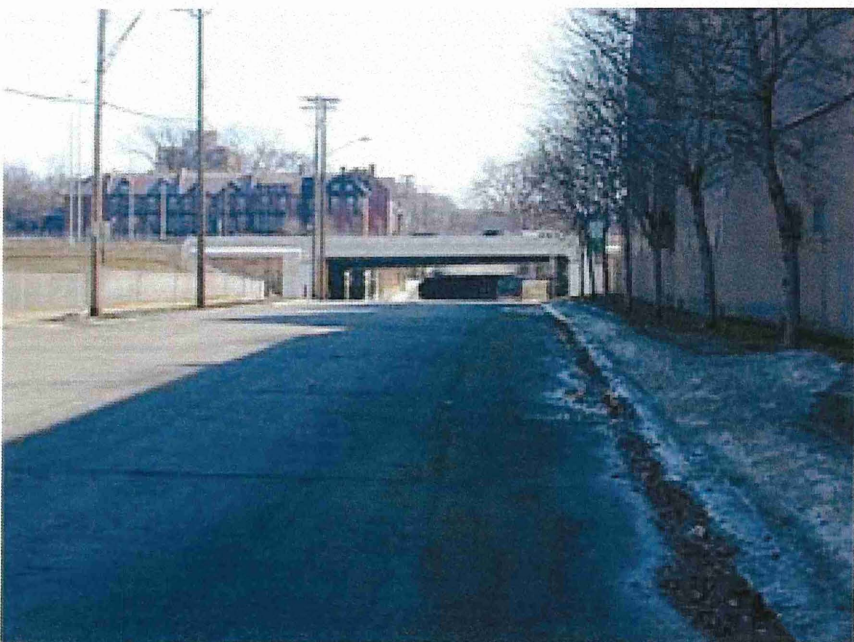
Photograph 20: Metal-Matic truck parking and repair garage



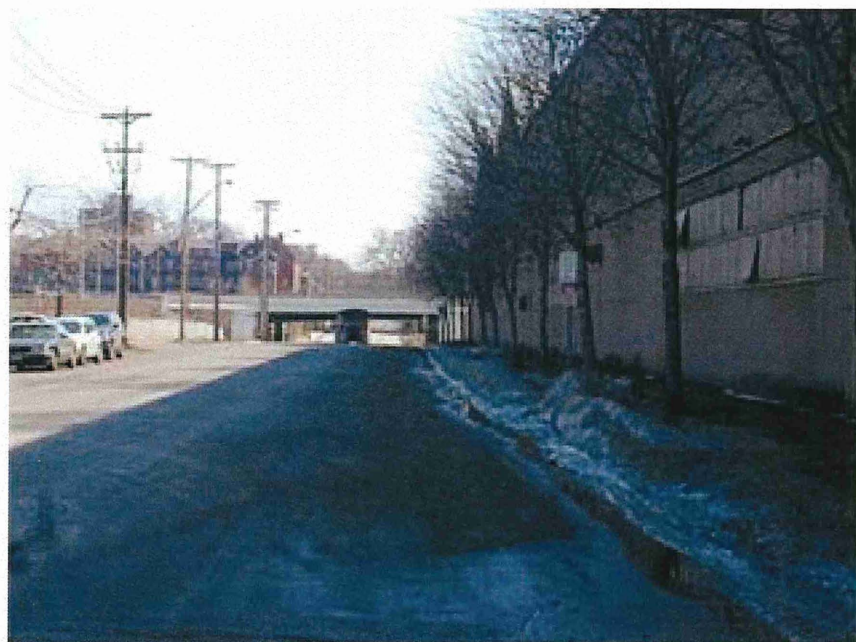
Photograph 21: Metal-Matic truck parking and employee parking. Former KinderCare in background.



Photograph 22: Semi truck passing former KinderCare site to Metal-Matic truck dock



Photograph 23: Semi truck leaving Metal-Matic truck dock



Photograph 24: Semi truck backing up SE Second Street



Photograph 25: Semi truck backing up SE Second Street



Photograph 26: Semi truck backing up SE Second Street



Photograph 27: Same truck parked across street from former KinderCare site



Photograph 28: Semi truck leaving Metal-Matic headed east

Zoning

The Riverview KinderCare site is zoned R5, which permits for high density multi-family housing. The area immediately south of the Riverview KinderCare site is zoned I2, Medium Industrial, from Tenth Avenue SE west to about Sixth Avenue SE. I2 uses are described as follows in the Minneapolis Zoning Code.

I2. Medium industrial uses. Medium industrial uses include metal working, glass and other uses which have the potential to produce greater amounts of noise, odor, vibration, glare or other objectionable influences than light industrial uses and which may have an adverse effect on surrounding properties. Medium industrial uses may include processing of raw materials or production of primary materials.

The one-half block to the west of Riverview KinderCare is zoned I1 extending two and one-half blocks. The Minneapolis Zoning Code describes permitted uses in the I1 industrial districts as follows:

I1. Light industrial uses. Light industrial uses are low impact uses which produce little or no noise, odor, vibration, glare or other objectionable influences and which have little or no adverse effect on surrounding properties. Light industrial uses generally do not include processing of raw materials or production of primary materials.

While the Riverview KinderCare building was located in an R5 residential district, it abutted one-block that was zoned I2 Medium Industrial occupied by a metal processing plant and a second block that was zoned I1 Light Industrial occupied by employee parking, truck storage and truck repair garage for Metal-Matic. I-35W, a four-lane freeway, is located to the east. Traffic on freeways is associated with unacceptable levels of noise. Noise barriers are frequently constructed in residential areas to block this noise. There were no noise barriers along I-35W in this location.

Visibility

Riverview KinderCare's location adjacent to I-35W provided the opportunity for visibility from the freeway. This visibility, however, was not good. I-35W in that location is a very busy stretch of freeway with high traffic counts (140,000 trips per day in 2006) combined with entry and exit weaving movements related to the University Avenue and Washington Avenue interchanges. These weaving movements cause drivers to concentrate on the cars around them limiting their ability to observe buildings off the freeway. This is particularly true when driving northbound. When driving southbound, the entrance ramp blocks the view until the vehicle would have passed the Riverview KinderCare site.

Access

Access to Riverview KinderCare is by way of University and SE Fourth Avenues and I-35W. Customers from northeast and southeast Minneapolis are most likely to use local streets to reach Riverview KinderCare. These customers would then turn right or left from University Avenue or SE Fourth Avenue onto SE Eighth Street and proceed to KinderCare on SE Second Avenue.

Customers using I-35W from the south would exit at University Avenue, proceed north to SE Fourth Avenue, turn left on SE Fourth Avenue, left again on SE Eighth Street and left again at SE Second Street, a distance of five and one-half blocks with three stop lights. An alternative route would be to turn right on University Avenue, proceed two blocks east, turn right at 11th Street and proceed to Riverside KinderCare, a distance of six and one-half blocks. This would be a faster route because of the right turns. Customers from the north would exit at SE Fourth Avenue, turn right and weave to the left lane to be able to turn onto SE Eighth Street to reach Riverview KinderCare, a distance of three and one-half blocks.

Riverview KinderCare

Riverview KinderCare had licensed capacity of 94 students and had an enrollment of 84 students in August of 2007. This represented 0.03 percent of KLC's total national enrollment of over 300,000. Taking into consideration that 30 students transferred to other KinderCare locations, the remaining 54 students that could not be relocated represented only 0.02 percent of KinderCare's annual enrollment. In July 2007, KinderCare operated 70 learning centers with a licensed capacity of 8,731 students in the Twin Cities, as shown in Table 2. The loss of one location, licensed for 94 students, represented about 1.1 percent of KLC's total licensed capacity in the Twin Cities.

The trade or business of KLC or KinderCare Learning Centers was not destroyed by the acquisition of the Riverview KinderCare. KLC continued to operate 69 other learning centers that existed in August 2007. Since then KLC has opened three additional KinderCare Learning Centers in the Metropolitan Area with 423 licensed students and closed two for a net increase of one learning center and an additional 297 licensed students.

KLC has stated that 30 of its Riverview KinderCare students transferred to other KinderCare locations: 22 to the Huron Avenue KinderCare, six to the Fairview Avenue KinderCare in Roseville, and two to other learning centers. Clearly, the business represented by these 30 students was not destroyed, just transferred to different location, a phenomena known as sales transfer in the retail industry.

Riverview KinderCare was licensed for 94 students, which included 12 infants, 21 toddlers, and 61 preschool students. Ten of the 61 preschool positions could be used for school age students. It is not known if there were any school age students.

Daycare Demographics

Population demographics of the infant to 5 age cohort dictate that learning centers will lose about 20 percent of their students annually through age attrition. Assuming normal age distribution about 20 percent of the students will turn six and go on to grade school each year. As a result, learning centers are always seeking new students to replace those that have gone on to school, or have left for some other reason.

Table 2
KLC KINDERCARE LEARNING CENTERS; 2007 TO 2009

KinderCare Location	City	Total Capacity	Year Built	2009 Enrolled	KinderCare Location	City	Total Capacity	Year Built	2009 Enrolled
Urban									
525 Huron Blvd. SE	Minneapolis	108	1984	120 - 130	2036 E. County Rd D	Maplewood	115	1980	75
325 Cedar Street Suite 150	St. Paul	108	1999	86	3708 W. 44th St.	Minneapolis	83	1984	78
					17701 Excelsior Boulevard	Minnetonka	119	1986	60
					2791 County Road 10 NE	MoundsView	97	1985	58
Suburban					7380 10th Street N	Oakdale	176	2002	115
1485 Bunker Lake Blvd NW	Andover	166	1998	80	13500 26th Ave. N	Plymouth	117	1985	45
14185 Essex Ave	Apple Valley	99	1981	80	15755 Rockford Rd	Plymouth	166	1997	143
7561 142nd St.	Apple Valley	133	1984	70	3050 Fernbrook Lane N	Plymouth	122	1987	85
7691 145th St W	Apple Valley	95	1984	50 - 70	4475 Hwy 169 N	Plymouth	119	1986	80
4545 N. Hamline Ave	Arden Hills	127	1987	70 - 80	14100 St Francis Blvd	Ramsey	141	1997	60
10851 Jefferson St NE	Blaine	95	1980	90 - 95	4012 Adair Ave. N	Robbinsdale	75	1970	24
10801 Rhode Island Ave S	Bloomington	131	1987	66	15080 Shannon Parkway	Rosemount	178	1998	120
8800 Cedar Ave S	Bloomington	121	NA	60	181 W. County Rd. B2	Roseville	110	1987	70
8950 France Ave S	Bloomington	152	1985	130	2186 Fairview Ave. N	Roseville	96	1977	65
6020 Earle Brown Dr.	Brooklyn Center	116	NA	55	14014 South Highway 13	Savage	155	NA	140
7660 Kentucky Ave N	Brooklyn Park	152	1983	90	5710 Loftus Dr	Savage	179	NA	125
7924 Brooklyn Park	Brooklyn Park	95	1983	76	1308 Greenwood Ct.	Shakopee	185	2002	125
7964 Xerxes Avenue N	Brooklyn Park	93	1981	70	3420 N. Lexington Ave.	Shoreview	105	1985	57
1800 Greenwood Dr.	Burnsville	104	NA	45	4650 Hodgson Rd	Shoreview	96	1981	85
1888 East 134th St	Burnsville	175	1999	100	4732 Excelsior Blvd.	St. Louis Park	174	2003	160
202 E Hayden Lake Rd	Champlin	84	1995	40	2070 Burns Ave.	St. Paul	103	1982	67
1621 McGlynn Rd	Chanhassen	134	NA	100	6740 Stillwater Boulevard N	Stillwater	99	NA	59
2800 Corporate Place	Chanhassen	176	2003	100	1541 Humboldt Ave.	West St. Paul	90	1977	70 - 80
10790 University Ave N	Coon Rapids	88	1995	62	1000 Meadowlands Dr	White Bear Lake	131	1988	90
1755 121st Avenue NW	Coon Rapids	127	1991	65	6435 Lake Road Terrace	Woodbury	174	1997	87
1800 Coon Rapids Blvd NW	Coon Rapids	96	1981	67	8400 City Centre Dr	Woodbury	134	NA	65
8453 East Point Douglas Rd	Cottage Grove	132	1991	110	8425 City Centre Dr	Woodbury	170	NA	125
1101 Town Centre Dr.	Eagan	118	1985	60	Subtotal		8,605		5,467
1865 Plaza Dr	Eagan	178	1997	100					
3620 Krestwood Lane	Eagan	129	1988	70	Closed Locations				
4194 Pilot Knob	Eagan	125	1984	60	Riverview 807 2nd Ave SE	Minneapolis	94	1987	
12760 Anderson Lakes Parkway	Eden Prairie	178	1995	120	12455 62nd Place N	Maple Grove	32	1979	
13033 Valley View Rd.	Eden Prairie	115	1985	NA	Subtotal		126		
18295 Cascade Dr	Eden Prairie	172	1996	90					
8098 Glen Lane	Eden Prairie	99	1984	60	New Locations				
8825 Aztec Dr.	Eden Prairie	127	1985	65	2600 Center Dr	Hudson	138	2007	70
5310 Monroe St. NE	Fridley	105	1972	70	17420 Dodd Blvd (Opens 4-13-09)	Lakeville	153	2009	N/A
101 N. Blake Rd.	Hopkins	111	NA	72	14080 Northdale Blvd	Rogers	132	2007	55
10487 165th St W	Lakeville	134	1998	45	Subtotal		423		125
17455 Kenrick(or Junelle Path)Ave.	Lakeville	128	1990	65 - 80					
13380 Grove Dr	Maple Grove	130	1988	90	Knowledge Beginnings Format				
6270 Sycamore Lane N	Maple Grove	124	1988	78	4155 Lexington Ave	Eagan	208	2001	154
9745 Revere Lane N	Maple Grove	98	1980	62	570 Oak Grove Parkway	Vadnais Heights	208	2000	N/A
1925 East County Rd D	Maplewood	118	1984	75	8445 Seasons Parkway	Woodbury	208	NA	120
					Subtotal		624		274

FT=Full Time.

FA=Families.

Source: McComb Group, Ltd., KinderCare website, County Websites, Google Earth, Costar, Scan/US.

Chapter III

TWIN CITIES KINDERCARE LEARNING CENTERS

KinderCare Learning Centers within the Twin Cities Metropolitan Area were visited by McComb Group staff. In total, 74 KLC learning centers were visited within the Twin Cities area, including 70 existing KinderCare centers, one new recently opened center, and three Knowledge Beginnings learning centers. Knowledge Beginnings facilities have a different format and will not be discussed in this analysis. Each KinderCare Learning Center was reviewed using KLC's site criteria contained on their corporate website and shown in Table 3. Additional verbal criteria which was presented during testimony and recorded in transcripts, is also considered in this analysis. The purpose of this analysis is to determine how the existing KinderCare centers compare to the established KLC real estate criteria.

Table 3
KNOWLEDGE LEARNING CORPORATION (KINDERCARE)
REAL ESTATE CRITERIA

What We're Seeking

- Unimproved land
- Shopping center pads
- Existing buildings
- Business acquisitions of multi-unit chains
- Space lease in CBDs
- Employer Sponsored Centers

Urban Site Criteria

- Secure ground floor space with convenient access for pick-up and drop-off parking near employment generators. Ability to configure dedicated outdoor or indoor play areas is vital.
- Space required: 9,000-15,000 SF (depending on access to play space)
- Daytime population: >25,000 within one mile
- Parking: Peak hour dedicated drop-off/pick-up spaces desired

Suburban Site Criteria

- Parcel Size: 1 acre or larger
- Building Size: minimum 8,000 SF
- Playground Size: 10,000-15,000 SF
- Parking Requirements: Minimum of 35 spaces; 10 reserved
- Child Population Density: 0-9 years 5,000 (Three-mile radius)
- Median Annual Household Income: Greater than \$60,000

Additional site criteria were identified in testimony at Condemnation Commission Hearings by Timothy Davis, Director of Real Estate for KLC. These additional criteria are listed below:

- Building size: 9,500 square feet in Minnesota
- Safe, secure environment
- Location and convenience
- Located on inbound commuter route

- In perfect world, right hand side of inbound commuter route

Most national retail and service businesses have site criteria to help developers and land owners understand what types of sites they will consider at that time. Most retailers conduct detailed studies of proposed sites to determine if one of their facilities will be successful. In areas where other company facilities are located, the distribution of current customers is considered.

URBAN SITE CRITERIA

In July 2007, there were three urban KinderCare Learning Centers: Riverview and Huron Boulevard in Minneapolis, and Cedar Street in St. Paul. KLC has different site criteria for urban sites as shown on Table 3. Riverview KinderCare was 6,175 square feet or 23 percent smaller than the 8,000 square foot criteria and 35 percent smaller than the 9,500 square foot criteria. The playground area appeared to be about 7,000 square feet, less than the 10,000 to 15,000 square feet.

KLC operates both urban and suburban learning centers in the Twin Cities. Riverview was in an urban learning center near two large employment concentrations: downtown Minneapolis and the University of Minnesota. Other urban KinderCare Learning Centers include the locations on Huron Avenue in Minneapolis and Cedar Street in downtown St. Paul. The Riverview and Huron Avenue learning centers had/have suburban type buildings and playgrounds. The Cedar Street KinderCare is a true urban facility in the first floor of the one-story portion of an office building with a play area on the roof. This learning center location does not have a dedicated drop-off location. One suburban KinderCare Learning Center, in St. Louis Park, is an urban format located on the first floor of an apartment building with an adjacent outdoor play area. It does not have dedicated parking spaces.

SUBURBAN SITE CRITERIA

There are 69 suburban KinderCare Learning Center locations throughout the Twin Cities Metropolitan Area, with buildings that range in age from new to almost 40-years-old. Each of these centers was analyzed using KinderCare's site criteria. Following is a summary of findings related to each of KLC's real estate criteria.

- ◆ Five (7 percent) have fewer than 5,000 population age 0 to 9 within a three-mile radius.
- ◆ Eight (12 percent) of the KinderCare Learning Centers have median household incomes of less than \$60,000 in 2007 within a three-mile radius.
- ◆ Twenty-seven (39 percent) KinderCare Learning Centers have a site of less than one acre.
- ◆ Forty-six (67 percent) KinderCare Learning Centers have buildings that are less than 8,000 square feet in size.
- ◆ Fifty-five (80 percent) of the KinderCare Learning Centers have less than 9,500 square feet of building area.
- ◆ Nineteen (28 percent) of the KinderCare Learning Centers have playground areas of less than 10,000 square feet.
- ◆ Fifty-five (80 percent) of the KinderCare Learning Centers have fewer than 35 parking spaces.

- ◆ Seventeen (25 percent) of the KinderCare Learning Centers are licensed for fewer than 100 students.
- ◆ Forty-seven (68 percent) are not located on a primary inbound commuter route.
- ◆ Thirty-seven (54 percent) are not located on the right hand side of an inbound commuter route.
- ◆ Fifty (72 percent) are not visible from the primary inbound commuter route.

More detailed findings about existing KinderCare Learning Center locations and KLC real estate site criteria are described in the following pages.

Median Annual Household Income

Eight (12 percent) of the 69 suburban KinderCare Learning Centers have median household incomes below the \$60,000 threshold for a three-mile radius for each center, using 2007 estimates provided by Scan/US, Inc., a source of demographic information, as shown in Table 4. Median household income for these learning centers ranges from \$50,323 to \$58,591. However, these three-mile rings contain large numbers of households with incomes above \$60,000. The number of households with incomes above \$75,000 range from 8,056 to over 15,000. Although these learning centers do not meet median household income criteria, most centers are located in areas where over 30 percent of the households have an average household income of over \$75,000.

Table 4
KINDERCARE CENTERS WITH MEDIAN HOUSEHOLD INCOME BELOW \$60,000; 2007
THREE-MILE RADIUS

KinderCare Center	City	Median HH Income	Households with Income Above \$75,000
2070 Burns Ave.	St. Paul	\$ 50,323	9,674
6020 Earle Brown Dr.	Brooklyn Center	54,280	12,660
5310 Monroe St. Ne	Fridley	55,211	12,910
8800 Cedar Ave. S	Bloomington	55,416	8,056
181 W. County Rd. B2	Roseville	56,818	11,956
1541 Humboldt Ave.	West St. Paul	57,126	10,427
4012 Adair Ave. N	Robbinsdale	57,827	15,438
2186 Fairview Ave. N	Roseville	58,591	12,770

Source: KinderCare website, County Websites, Google Earth, Costar, Scan/US.

Child Population Density

KLC child population density criteria require a child population (age 0-9) of more than 5,000 within a three-mile radius. Five of the 69 suburban learning centers do not meet the established criteria. These five centers have 2007 child populations ranging from 2,148 to 4,318 as shown in Table 5, using 2007 estimated provided by Scan/US, Inc. This suggests that KLC has been willing to build new centers in areas which do not meet the child population criteria; including Hudson, Wisconsin built in 2007 with a child population of 2,148 and Rogers, Minnesota built in 2007 with a child population of 2,492.

Table 5
KINDERCARE CENTERS WITH LESS THAN 5,000 AGE 0-9 POPULATION
THREE-MILE RADIUS

KinderCare Center	City	2007 Age 0-9 Population
2600 Center Dr	Hudson	2,148
14080 Northdale Blvd	Rogers	2,492
6740 Stillwater Boulevard N	Stillwater	3,003
1308 Greenwood Ct.	Shakopee	4,267
4650 Hodgson Rd	Shoreview	4,318

Source: KinderCare Website, County Websites, Google Earth, Costar, Scan/US.

Daytime Population

KinderCare Learning Centers located in suburban areas, in many cases, have very high daytime population working within a one-mile radius of the learning center. This is demonstrated in Table 6 at the end of this chapter, which shows that nine suburban KinderCare Learning Centers have daytime population in excess of 10,000 within a one-mile radius. An additional 24 KinderCare Learning Centers have between 5,000 and 10,000 daytime population within a one-mile radius. This demonstrates that nearby employment concentrations with high daytime population can contribute additional students to a suburban KinderCare location.

Parcel Size

KLC current site criteria require a parcel size of one acre or more for KinderCare Learning Centers. Of the 69 suburban locations, 27 centers (39 percent) have less than one acre of land, as shown in Table 7. Almost half of these centers operate with less than three-quarters of an acre; while the smallest site in Robbinsdale is only 0.37 acres. The centers that operate on smaller parcels tend to be more creative with their outdoor play space and offer less parking.

Table 7

KINDERCARE LEARNING CENTERS WITH LESS THAN A ONE ACRE SITE

KinderCare Center	City	Acres
4012 Adair Ave. N	Robbinsdale	0.37
7924 Brooklyn Boulevard	Brooklyn Park	0.52
10851 Jefferson Street NE	Blaine	0.53 E
8800 Cedar Ave. S	Bloomington	0.57
3708 W. 44th St.	Minneapolis	0.57
14185 Essex Ave	Apple Valley	0.58
10790 University Ave N	Coon Rapids	0.62
9745 Revere Lane N	Maple Grove	0.63
202 E Hayden Lake Rd	Champlin	0.65
8098 Glen Lane	Eden Prairie	0.70
2791 County Road 10 NE	MoundsView	0.72
7964 Xerxes Ave N	Brooklyn Park	0.75
5310 Monroe St. NE	Fridley	0.76
17701 Excelsior Boulevard	Minnetonka	0.76
2186 Fairview Ave. N	Roseville	0.77
1925 East County Road D	Maplewood	0.81
8453 East Point Douglas Rd	Cottage Grove	0.82
2070 Burns Ave.	St. Paul	0.82
1541 Humboldt Ave.	West St. Paul	0.84
1101 Town Centre Dr.	Eagan	0.85
7691 145th Street W.	Apple Valley	0.88
6020 Earle Brown Dr.	Brooklyn Center	0.88
1800 Greenwood Dr.	Burnsville	0.89
7561 142nd St.	Apple Valley	0.96
6740 Stillwater Boulevard N	Stillwater	0.96
4194 Pilot Knob	Eagan	0.97
3620 Krestwood Lane	Eagan	0.98

E: Estimated.

Source: KinderCare website, County Websites, Google Earth, Costar, Scan/US.

Building Size

The building criteria for a suburban KinderCare site are a minimum of 8,000 square feet and 9,500 square feet in Minnesota according to Timothy Davis, Director of Real Estate for KLC. Existing suburban KinderCare centers range in size from 3,600 square feet to 13,100 square feet. Of the 69 suburban centers, 46 centers or 67 percent have less than 8,000 square feet, as shown in Table 8 at the end of this chapter. These centers range in size from 3,600 square feet to 7,656 square feet. Thirty-one of the learning centers are less than the 6,175 square foot Riverview KinderCare Learning Center

Fifty-five of the 69 suburban KinderCare Learning Centers, or 80 percent, have less than 9,500 square feet that is the Minnesota criteria, as shown in Table 9 at the end of this chapter.

Playground Size

Playground size for each center was estimated using aerial photos and site visits. KinderCare current playground size criteria is 10,000 to 15,000 square feet. Estimates of playground size indicate that 19 centers or 28 percent of the suburban KinderCare Learning Centers have less than 10,000 square feet of playground area, as shown in Table 10. Playgrounds at these 19 learning centers range in size from 1,600 to 9,300 square feet. Robbinsdale KinderCare has the

smallest playground space with approximately 1,600 square feet. Riverview KinderCare had a playground area of about 7,000 square feet.

Table 10
KINDERCARE CENTERS WITH LESS THAN 10,000 SQ. FT. PLAYGROUND AREA
ESTIMATED PLAYGROUND SIZE

KinderCare Center	City	Playground Size
4012 Adair Ave. N	Robbinsdale	1,600
8800 Cedar Ave. S	Bloomington	4,500
3708 W. 44th St.	Minneapolis	5,134
7964 Xerxes Ave N	Brooklyn Park	6,000
4732 Excelsior Blvd.	St. Louis Park	6,400
8098 Glen Lane	Eden Prairie	6,490
3050 Fernbrook Lane N	Plymouth	6,492
202 E Hayden Lake Rd	Champlin	6,700
13500 26th Ave. N	Plymouth	6,816
4475 Hwy 169 N	Plymouth	7,644
1541 Humboldt Ave.	West St. Paul	8,000
13033 Valley View Rd.	Eden Prairie	8,256
7924 Brooklyn Boulevard	Brooklyn Park	8,500
101 N. Blake Rd.	Hopkins	8,500
5310 Monroe St. NE	Fridley	8,700
17701 Excelsior Boulevard	Minnetonka	8,700
13380 Grove Dr	Maple Grove	8,966
2070 Burns Ave.	St. Paul	9,179
10790 University Ave N	Coon Rapids	9,300

Source: KinderCare website, County Websites, Google Earth, Costar, Scan/US.

Parking Requirements

Of the 69 suburban learning centers, 55 (80 percent) have less than 35 parking spaces as required by current KLC site criteria, as shown in Table 11 at the end of this chapter. However, the number of available parking spaces varies widely between the centers. Sixty-eight of the suburban KinderCare Learning Centers have their own parking lots. The Excelsior/Grand location in St. Louis Park, located on the lower level of a mixed-use building, is attached to a parking ramp which has six spaces reserved for non-exclusive, 15-minute, short-term parking. Limited additional parking for this center is available on the street and also in the parking ramp. The Robbinsdale learning center offers the least amount of parking with only five parking spaces adjacent to the building, supplemented by some street parking on a busy street in front of the center. In many cases, it was apparent that staff members were parking on the adjacent streets when the learning center had limited parking space.

Inbound Commuter Routes

Location of each KinderCare Learning Center relative to the nearest inbound primary commuter route was determined. If the KinderCare Learning Center was located on an arterial route, close to an inbound commuter route, it was not considered “located on inbound commuter route”. Forty-seven or 68 percent of the existing KinderCare Learning Centers are not located on a

primary inbound commuter route, as shown in Table 12. Also, 37 existing KinderCare Learning Centers are not located on the right hand side of an inbound commuter route. In addition 50 (72 percent) KinderCare Learning Centers are not visible from the primary inbound commuter route.

Safe, Secure Environment

Site visits to all of the Twin Cities KinderCare Learning Center locations indicate that the suburban centers are located in safe and secure environments. Two Brooklyn Park locations (Brooklyn Boulevard and Kentucky Avenue) raised concerns regarding young males loitering close to the centers' parking lots. However, other centers seemed to be relatively safe and secure.

SUMMARY

Most of the KinderCare Learning Centers were opened prior to KLC acquisition of KinderCare. Since KLC acquired KinderCare in 2006, three learning centers have been opened: Hudson, Rogers and Dodd Boulevard in Lakeville. Two-thirds of these were located in areas where there were fewer than 5,000 population aged 0 to 9. In these two cases, the 0 to 9 population was less than half the required 5,000. In 2007, the population age 0 to 9 in the three-mile radius for the Hudson and Rogers KinderCare Learning Centers were 2,148 and 2,492, respectively. In addition, two of the learning centers – Hudson and Dodd Boulevard – are not located on a primary inbound commuter route. Hudson is not on the right hand side of the primary commuter route, and none are visible from the inbound commuter route.

This strongly suggests that the location criteria are guidelines that do not have to be followed in all cases.

Table 6
KINDERCARE LEARNING CENTERS
DAYTIME POPULATION ONE MILE RADIUS; 2008

KinderCare Location	City	2008 Daytime Population
Urban		
325 Cedar Street Suite 150	St. Paul	82,463
525 Huron Blvd. SE	Minneapolis	71,661
Riverview - 807 2nd Ave SE	Minneapolis	67,500
Suburban		
8098 Glen Lane	Eden Prairie	17,670
13500 26th Ave. N	Plymouth	17,484
3050 Fernbrook Lane N	Plymouth	16,050
2186 Fairview Ave. N	Roseville	14,972
13033 Valley View Rd.	Eden Prairie	13,942
7660 Kentucky Ave. N	Brooklyn Park	12,258
7924 Brooklyn Boulevard	Brooklyn Park	12,199
4732 Excelsior Blvd.	St. Louis Park	11,078
6020 Earle Brown Dr.	Brooklyn Center	10,564
101 N. Blake Rd.	Hopkins	9,927
1925 East County Road D	Maplewood	9,544
13380 Grove Dr	Maple Grove	9,056
3420 N. Lexington Ave.	Shoreview	8,728
1541 Humboldt Ave.	West St. Paul	8,306
2036 E. County Rd. D	Maplewood	8,182
1101 Town Centre Dr.	Eagan	8,066
6270 Sycamore Lane N	Maple Grove	7,293
3620 Krestwood Lane	Eagan	6,773
4475 Hwy 169 N	Plymouth	6,622
8800 Cedar Ave. S	Bloomington	6,429
4545 N. Hamline Ave.	Arden Hills	6,249
7691 145th Street W.	Apple Valley	6,232
12760 Anderson Lakes Parkway	Eden Prairie	6,100
1621 McGlynn Rd	Chanhassen	6,087
14080 Northdale Blvd	Rogers	5,910
6740 Stillwater Boulevard N	Stillwater	5,897
5310 Monroe St. NE	Fridley	5,884
8825 Aztec Dr.	Eden Prairie	5,598
6435 Lake Road Terrace	Woodbury	5,587
3708 W. 44th St.	Minneapolis	5,543
9745 Revere Lane N	Maple Grove	5,325
15755 Rockford Rd	Plymouth	5,315
7561 142nd St.	Apple Valley	5,120
1308 Greenwood Ct.	Shakopee	4,885
8425 City Centre Dr	Woodbury	4,865
181 W. County Rd. B2	Roseville	4,593
10801 Rhode Island Ave S	Bloomington	4,328
8400 City Centre Dr	Woodbury	4,310
7380 10th Street N	Oakdale	4,210
1000 Meadowlands Dr	White Bear Lake	4,176
8950 France Ave S	Bloomington	3,862
1865 Plaza Dr	Eagan	3,792
2600 Center Dr	Hudson	3,642
1755 121st Ave NW	Coon Rapids	3,620
1800 Greenwood Dr.	Burnsville	3,578
2070 Burns Ave.	St. Paul	3,196
4012 Adair Ave. N	Robbinsdale	3,105
2800 Corporate Place	Chanhassen	2,982
17455 Kenrick(or Junelle Path) Ave	Lakeville	2,904
17701 Excelsior Boulevard	Minnetonka	2,855
8453 East Point Douglas Rd	Cottage Grove	2,630
2791 County Road 10 NE	MoundsView	2,600
10487 165th St W	Lakeville	2,436
14100 St Francis Blvd	Ramsey	2,432
10790 University Ave N	Coon Rapids	2,288
4650 Hodgson Rd	Shoreview	2,207
14185 Essex Ave	Apple Valley	2,025
10851 Jefferson St NE	Blaine	1,981
7964 Xerxes Ave N	Brooklyn Park	1,868
15080 Shannon Parkway	Rosemount	1,836
202 E Hayden Lake Rd	Champlin	1,762
14014 South Highway 13	Savage	1,744
18295 Cascade Dr	Eden Prairie	1,645
5710 Loftus Dr	Savage	1,603
1485 Bunker Lake Blvd NW	Andover	1,344
1800 Coon Rapids Blvd NW	Coon Rapids	1,307
4194 Pilot Knob	Eagan	1,241
1888 East 134th St	Burnsville	881
17420 Dodd Blvd (Opens 4-13-09)	Lakeville	268

Source: McComb Group, Ltd., KinderCare website, County Websites, Google Earth, Costar, Scan/US.

Table 8
KINDERCARE CENTERS WITH LESS THAN 8,000 SQUARE FEET

KinderCare Center	City	Gross Building Area
4012 Adair Ave. N	Robbinsdale	3,600
13033 Valley View Rd.	Eden Prairie	4,092
1800 Coon Rapids Blvd NW	Coon Rapids	4,312
7691 145th Street W.	Apple Valley	4,620
10851 Jefferson St NE	Blaine	4,629
3708 W. 44th St.	Minneapolis	4,704
8098 Glen Lane	Eden Prairie	4,750
7924 Brooklyn Boulevard	Brooklyn Park	4,860
9745 Revere Lane N	Maple Grove	4,864
14185 Essex Ave	Apple Valley	4,900
7964 Xerxes Ave N	Brooklyn Park	4,900
2791 County Road 10 NE	MoundsView	4,900
4650 Hodgson Rd	Shoreview	4,900
2186 Fairview Ave. N	Roseville	4,950
13380 Grove Dr	Maple Grove	5,016
1541 Humboldt Ave.	West St. Paul	5,300
202 E Hayden Lake Rd	Champlin	5,436
1000 Meadowlands Dr	White Bear Lake	5,451
10790 University Ave N	Coon Rapids	5,567
8800 Cedar Ave. S	Bloomington	5,702
3050 Fernbrook Lane N	Plymouth	5,720
8825 Aztec Dr.	Eden Prairie	5,733
17701 Excelsior Boulevard	Minnetonka	5,880
4475 Hwy 169 N	Plymouth	5,880
6740 Stillwater Boulevard N	Stillwater	6,001
17455 Kenrick Avenue (or Junelle Path)	Lakeville	6,018
5310 Monroe St. NE	Fridley	6,025
181 W. County Rd. B2	Roseville	6,052
2070 Burns Ave.	St. Paul	6,054
2036 E. County Rd. D	Maplewood	6,110
3420 N. Lexington Ave.	Shoreview	6,110
1755 121st Ave NW	Coon Rapids	6,182
8453 East Point Douglas Rd	Cottage Grove	6,200
10801 Rhode Island Ave S	Bloomington	6,260
6270 Sycamore Lane N	Maple Grove	6,260
1485 Bunker Lake Blvd NW	Andover	6,336
4545 N. Hamline Ave.	Arden Hills	6,336
3620 Krestwood Lane	Eagan	6,413
6020 Earle Brown Dr.	Brooklyn Center	6,864
1925 East County Road D	Maplewood	6,985
8400 City Centre Dr	Woodbury	7,040
1101 Town Centre Dr.	Eagan	7,147
1800 Greenwood Dr.	Burnsville	7,258
4194 Pilot Knob	Eagan	7,280
7660 Kentucky Ave. N	Brooklyn Park	7,500 E
15755 Rockford Rd	Plymouth	7,656

E: Estimated.

Source: KinderCare website, County Websites, Google Earth, Costar, Scan/US.

Table 9
KINDERCARE CENTERS WITH LESS THAN 9,500 SQ. FT.

KinderCare Center	City	Gross Building Area
4012 Adair Ave. N	Robbinsdale	3,600
13033 Valley View Rd.	Eden Prairie	4,092
1800 Coon Rapids Blvd NW	Coon Rapids	4,312
7691 145th Street W.	Apple Valley	4,620
10851 Jefferson St NE	Blaine	4,629
3708 W. 44th St.	Minneapolis	4,704
8098 Glen Lane	Eden Prairie	4,750
7924 Brooklyn Boulevard	Brooklyn Park	4,860
9745 Revere Lane N	Maple Grove	4,864
14185 Essex Ave	Apple Valley	4,900
7964 Xerxes Ave N	Brooklyn Park	4,900
2791 County Road 10 NE	MoundsView	4,900
4650 Hodgson Rd	Shoreview	4,900
2186 Fairview Ave. N	Roseville	4,950
13380 Grove Dr	Maple Grove	5,016
1541 Humboldt Ave.	West St. Paul	5,300
202 E Hayden Lake Rd	Champlin	5,436
1000 Meadowlands Dr	White Bear Lake	5,451
10790 University Ave N	Coon Rapids	5,567
8800 Cedar Ave. S	Bloomington	5,702
3050 Fernbrook Lane N	Plymouth	5,720
8825 Aztec Dr.	Eden Prairie	5,733
17701 Excelsior Boulevard	Minnetonka	5,880
4475 Hwy 169 N	Plymouth	5,880
6740 Stillwater Boulevard N	Stillwater	6,001
17455 Kenrick Avenue (or Junelle Path)	Lakeville	6,018
5310 Monroe St. NE	Fridley	6,025
181 W. County Rd. B2	Roseville	6,052
2070 Burns Ave.	St. Paul	6,054
2036 E. County Rd. D	Maplewood	6,110
3420 N. Lexington Ave.	Shoreview	6,110
1755 121st Ave NW	Coon Rapids	6,182
8453 East Point Douglas Rd	Cottage Grove	6,200
10801 Rhode Island Ave S	Bloomington	6,260
6270 Sycamore Lane N	Maple Grove	6,260
1485 Bunker Lake Blvd NW	Andover	6,336
4545 N. Hamline Ave.	Arden Hills	6,336
3620 Krestwood Lane	Eagan	6,413
6020 Earle Brown Dr.	Brooklyn Center	6,864
1925 East County Road D	Maplewood	6,985
8400 City Centre Dr	Woodbury	7,040
1101 Town Centre Dr.	Eagan	7,147
1800 Greenwood Dr.	Burnsville	7,258
4194 Pilot Knob	Eagan	7,280
7660 Kentucky Ave. N	Brooklyn Park	7,500
15755 Rockford Rd	Plymouth	7,656
1621 McGlynn Rd	Chanhassen	8,300
7561 142Nd St.	Apple Valley	8,320
10487 165th St W	Lakeville	8,470
14100 St Francis Blvd	Ramsey	8,621
14014 South Highway 13	Savage	8,621
5710 Loftus Dr	Savage	8,800
13500 26th Ave. N	Plymouth	9,292
14080 Northdale Blvd	Rogers	9,300
8950 France Ave S	Bloomington	9,309

Source: McComb Group, Ltd., KinderCare website, County Websites, Google Earth, Costar, Scan/US.

Table 11

KINDERCARE CENTERS WITH LESS THAN 35 PARKING SPACES

KinderCare Center	City	Parking Spaces
4012 Adair Ave. N	Robbinsdale	5
4732 Excelsior Blvd.	St. Louis Park	6
3708 W. 44th St.	Minneapolis	8
10851 Jefferson St NE	Blaine	9
7924 Brooklyn Boulevard	Brooklyn Park	10
2186 Fairview Ave. N	Roseville	10
10790 University Ave N	Coon Rapids	10
9745 Revere Lane N	Maple Grove	12
1800 Coon Rapids Blvd NW	Coon Rapids	12
14185 Essex Ave	Apple Valley	12
101 N. Blake Rd.	Hopkins	12
6740 Stillwater Boulevard N	Stillwater	13
7691 145th Street W.	Apple Valley	14
4650 Hodgson Rd	Shoreview	14
2791 County Road 10 NE	MoundsView	15
202 E Hayden Lake Rd	Champlin	15
1541 Humboldt Ave.	West St. Paul	15
4545 N. Hamline Ave.	Arden Hills	25
8400 City Centre Dr	Woodbury	24
181 W. County Rd. B2	Roseville	24
4475 Hwy 169 N	Plymouth	23
1621 McGlynn Rd	Chanhassen	23
7964 Xerxes Ave N	Brooklyn Park	16
1755 121st Ave NW	Coon Rapids	16
8098 Glen Lane	Eden Prairie	17
1925 East County Road D	Maplewood	17
5310 Monroe St. NE	Fridley	18
3050 Fernbrook Lane N	Plymouth	18
2070 Burns Ave.	St. Paul	18
13033 Valley View Rd.	Eden Prairie	18
1000 Meadowlands Dr	White Bear Lake	18
4194 Pilot Knob	Eagan	19
1800 Greenwood Dr.	Burnsville	19
1101 Town Centre Dr.	Eagan	19
8825 Aztec Dr.	Eden Prairie	20
17701 Excelsior Boulevard	Minnetonka	20
7660 Kentucky Ave. N	Brooklyn Park	21
3420 N. Lexington Ave.	Shoreview	21
13380 Grove Dr	Maple Grove	21
7561 142nd St.	Apple Valley	22
6270 Sycamore Lane N	Maple Grove	25
6020 Earle Brown Dr.	Brooklyn Center	25
2036 E. County Rd. D	Maplewood	26
17455 Kenrick Ave (or Junelle Path)	Lakeville	27
2600 Center Dr	Hudson	28
7380 10th St N	Oakdale	29
14080 Northdale Blvd	Rogers	29
10801 Rhode Island Ave S	Bloomington	29
8453 East Point Douglas Rd	Cottage Grove	30
3620 Krestwood Lane	Eagan	32
15080 Shannon Parkway	Rosemount	32
5710 Loftus Dr	Savage	33
1485 Bunker Lake Blvd NW	Andover	33
6435 Lake Road Terrace	Woodbury	34
2800 Corporate Place	Chanhassen	34

Source: McComb Group, Ltd., KinderCare website, County Websites, Google Earth, Costar, Scan/US.

Table 12

**KINDERCARE LEARNING CENTERS
INBOUND COMMUTER ROUTE LOCATION**

KinderCare Location	City	Located On Inbound Commuter Rt	Right Hand Side of Inbound Commuter Rt	Visible From Inbound Commuter Rt
Urban				
Riverview - 807 2nd Ave SE	Minneapolis	Y	Y	Y
525 Huron Blvd. SE	Minneapolis	Y	Y	Y
325 Cedar St Suite 150	St. Paul	N	N	N
Suburban				
1485 Bunker Lake Blvd NW	Andover	N	N	N
14185 Essex Ave	Apple Valley	N	Y	N
7561 142nd St.	Apple Valley	N	N	N
7691 145th St W.	Apple Valley	N	N	N
4545 N. Hamline Ave.	Arden Hills	Y	N	Y
10851 Jefferson St NE	Blaine	N	N	N
10801 Rhode Island Ave S	Bloomington	N	Y	N
8800 Cedar Ave. S	Bloomington	N	N	N
8950 France Ave S	Bloomington	Y	N	Y
6020 Earle Brown Dr.	Brooklyn Center	Y	Y	Y
7660 Kentucky Ave. N	Brooklyn Park	N	N	N
7924 Brooklyn Boulevard	Brooklyn Park	Y	Y	Y
7964 Xerxes Ave N	Brooklyn Park	N	N	N
1800 Greenwood Dr.	Burnsville	N	Y	N
1888 East 134th St	Burnsville	Y	N	Y
202 E Hayden Lake Rd	Champlin	N	Y	N
1621 McGlynn Rd	Chanhassen	Y	Y	Y
2800 Corporate Place	Chanhassen	Y	Y	Y
10790 University Ave N	Coon Rapids	Y	Y	Y
1755 121st Ave NW	Coon Rapids	N	Y	N
1800 Coon Rapids Blvd NW	Coon Rapids	Y	N	N
8453 East Point Douglas Rd	Cottage Grove	N	Y	Y
1101 Town Centre Dr.	Eagan	N	Y	N
1865 Plaza Dr	Eagan	Y	Y	N
3620 Krestwood Lane	Eagan	N	Y	N
4194 Pilot Knob	Eagan	N	Y	N
12760 Anderson Lakes Parkway	Eden Prairie	Y	Y	Y
13033 Valley View Rd.	Eden Prairie	N	N	N
18295 Cascade Dr	Eden Prairie	Y	Y	Y
8098 Glen Lane	Eden Prairie	N	N	N
8825 Aztec Dr.	Eden Prairie	N	Y	N
5310 Monroe St. NE	Fridley	N	Y	N
101 N. Blake Rd.	Hopkins	N	N	N
2600 Center Dr	Hudson	N	N	N
10487 165th St W	Lakeville	N	N	N
17420 Dodd Blvd (Opens 4-13-09)	Lakeville	N	Y	N
17455 Kenrick(or Junelle Path) Ave	Lakeville	N	Y	N
13380 Grove Dr	Maple Grove	N	N	N
6270 Sycamore Lane N	Maple Grove	N	N	N
9745 Revere Lane N	Maple Grove	N	Y	N
1925 East County Road D	Maplewood	N	N	Y
2036 E. County Rd. D	Maplewood	N	N	N
3708 W. 44th St.	Minneapolis	N	N	N
17701 Excelsior Boulevard	Minnetonka	N	Y	N
2791 County Road 10 NE	MoundsView	Y	N	Y
7380 10th St N	Oakdale	Y	Y	N
13500 26th Ave. N	Plymouth	Y	Y	Y
15755 Rockford Rd	Plymouth	N	N	N
3050 Fernbrook Lane N	Plymouth	Y	N	N
4475 Hwy 169 N	Plymouth	Y	Y	Y
14100 St Francis Blvd	Ramsey	Y	Y	Y
4012 Adair Ave. N	Robbinsdale	N	N	N
14080 Northdale Blvd	Rogers	Y	Y	N
15080 Shannon Parkway	Rosemount	N	N	N
181 W. County Rd. B2	Roseville	N	Y	N
2186 Fairview Ave. N	Roseville	N	N	N
14014 South Highway 13	Savage	Y	N	Y
5710 Loftus Dr	Savage	N	N	N
1308 Greenwood Ct.	Shakopee	N	Y	N
3420 N. Lexington Ave.	Shoreview	N	N	N
4650 Hodgson Rd	Shoreview	N	Y	N
4732 Excelsior Blvd.	St. Louis Park	Y	N	Y
2070 Burns Ave.	St. Paul	N	N	N
6740 Stillwater Boulevard N	Stillwater	N	Y	N
1541 Humboldt Ave.	West St. Paul	N	N	N
1000 Meadowlands Dr	White Bear Lake	N	N	N
6435 Lake Road Terrace	Woodbury	N	N	N
8400 City Centre Dr	Woodbury	N	N	N
8425 City Centre Dr	Woodbury	Y	N	Y
		47 N	37 N	50 N

*2007.

Source: McComb Group, Ltd., KinderCare website, County Websites, Google Earth, Costar, Scan/US.

Chapter IV

KINDERCARE LICENSED CAPACITY AND ENROLLMENT

KLC operates 71 KinderCare Learning Centers with a wide range of licensed student capacity, building size and enrollment in 2009. Licensed student capacity was obtained from the State of Minnesota. Building size was obtained from public records, industry sources or estimated by McComb Group. KinderCare Learning Centers in the Twin Cities area were surveyed by McComb Group to determine enrollment at each learning center. Sixty-eight KinderCare Learning Centers provided enrollment information. One KinderCare location did not reveal its current enrollment, three provided full-time enrollment only and one reported families. It was assumed that total enrollment included full-time and part-time students if full-time or families were not identified by the respondent. Six KinderCare Learning Center locations reported a range of enrollment. The analysis is based on the highest reported enrollment number.

Licensed Student Capacity

State of Minnesota licensed student capacity for KinderCare Learning Centers range from 75 to 185 students, as shown in Table 13 on the next page.

Building Area per Licensed Student

State of Minnesota regulates childcare locations and has minimum criteria for indoor building area and outdoor play area. Minnesota rules require a minimum of 35 square feet of indoor space, excluding hallways, stairways, closets, utility room, lavatories, water closets, kitchens, and space occupied by cribs, must be available for each child in attendance. Gross building area of Twin Cities KinderCare Learning Centers range from 35.6 square feet to 79.4 square feet, as shown in Table 13. This indicates that KinderCare Learning Centers have a wide range of sizes relative to licensed capacity.

Licensed Students and Enrollment

Student enrollment includes both full-time and part-time students. KinderCare Learning Centers that reported only full-time students or families are excluded from the analysis. Student enrollment to licensed capacity ranges from 120.4 percent at the Huron Avenue KinderCare Learning Center to 32.0 percent at the Robbinsdale KinderCare Learning Center, as shown in Table 14. Average occupancy of the 65 KinderCare Learning Centers was 65.0 percent. Only 12 KinderCare Learning Centers reported occupancy that was 80 percent or greater. The Riverview KinderCare Learning Center had an occupancy of 89.4 percent in August 2007. It's likely that the current economic conditions have reduced student enrollment below the levels that would have existed two or three years ago. Two KinderCare Learning Centers are at 100 percent occupancy or higher. KinderCare's Huron Boulevard location currently has an occupancy of 120, while the Minnesota Child Care license states that the learning center is licensed for 108. The Blaine KinderCare Learning Center on Jefferson Street is currently at capacity with a license for 95 students. The KinderCare Learning Centers located at 3708 West 44th Street in Minneapolis and St. Louis Park have occupancies of 94 percent and 92 percent, respectively. The three-mile rings for each of these KinderCare Learning Centers include zip codes where students attending the Riverview KinderCare Learning Center lived based on information provided by KLC.

Table 13
KINDERCARE CENTERS LICENSED CAPACITY AND BUILDING AREA

KinderCare Location	City	Licensed Capacity	Gross Building Area	Building Area Per Capacity
13033 Valley View Rd.	Eden Prairie	115	4,092	35.58
1485 Bunker Lake Blvd NW	Andover	166	6,336	38.17
13380 Grove Dr	Maple Grove	130	5,016	38.58
1000 Meadowlands Dr	White Bear Lake	131	5,451	41.61
1800 Coon Rapids Blvd NW	Coon Rapids	96	4,312	44.92
8825 Aztec Dr.	Eden Prairie	127	5,733	45.14
15755 Rockford Rd	Plymouth	166	7,656	46.12
3050 Fernbrook Lane N	Plymouth	122	5,720	46.89
8453 East Point Douglas Rd	Cottage Grove	132	6,200	46.97
17455 Kenrick Ave (or Junelle Path)	Lakeville	128	6,018	47.02
8800 Cedar Ave. S	Bloomington	121	5,702	47.12
10801 Rhode Island Ave S	Bloomington	131	6,260	47.79
8098 Glen Lane	Eden Prairie	99	4,750	47.98
4012 Adair Ave. N	Robbinsdale	75	3,600	48.00
7691 145th St W.	Apple Valley	95	4,620	48.63
1755 121st Ave NW	Coon Rapids	127	6,182	48.68
10851 Jefferson St NE	Blaine	95	4,629	48.73
5710 Loftus Dr	Savage	179	8,800	49.16
7660 Kentucky Ave. N	Brooklyn Park	152	7,500 E	49.34
17701 Excelsior Boulevard	Minnetonka	119	5,880	49.41
4475 Hwy 169 N	Plymouth	119	5,880	49.41
14185 Essex Ave	Apple Valley	99	4,900	49.49
9745 Revere Lane N	Maple Grove	98	4,864	49.63
3620 Krestwood Lane	Eagan	129	6,413	49.71
4545 N. Hamline Ave.	Arden Hills	127	6,336	49.89
6270 Sycamore Lane N	Maple Grove	124	6,260	50.48
2791 County Road 10 NE	Mounds View	97	4,900	50.52
4650 Hodgson Rd	Shoreview	96	4,900	51.04
7924 Brooklyn Boulevard	Brooklyn Park	95	4,860	51.16
2186 Fairview Ave. N	Roseville	96	4,950	51.56
8400 City Centre Dr	Woodbury	134	7,040	52.54
7964 Xerxes Ave N	Brooklyn Park	93	4,900	52.69
2036 E. County Rd. D	Maplewood	115	6,110	53.13
15080 Shannon Parkway	Rosemount	178	9,534	53.56
1308 Greenwood Ct.	Shakopee	185	10,132	54.77
181 W. County Rd. B2	Roseville	110	6,052	55.02
6435 Lake Road Terrace	Woodbury	174	9,621	55.29
14014 South Highway 13	Savage	155	8,621	55.62
7380 10th St N	Oakdale	176	9,871	56.09
3708 W. 44th St.	Minneapolis	83	4,704	56.67
1888 East 134th St	Burnsville	175	9,992	57.10
5310 Monroe St. NE	Fridley	105	6,025	57.38
3420 N. Lexington Ave.	Shoreview	105	6,110	58.19
4194 Pilot Knob	Eagan	125	7,280	58.24
2070 Burns Ave.	St. Paul	103	6,054	58.78
8425 City Centre Dr	Woodbury	170	10,000	58.82
1541 Humboldt Ave.	West St. Paul	90	5,300	58.89
1865 Plaza Dr	Eagan	178	10,498	58.98
6020 Earle Brown Dr.	Brooklyn Center	116	6,864	59.17
1925 East County Road D	Maplewood	118	6,985	59.19
525 Huron Blvd. SE	Minneapolis	108	6,400 E	59.26
2800 Corporate Place	Chanhassen	176	10,465	59.46
1101 Town Centre Dr.	Eagan	118	7,147	60.57
6740 Stillwater Boulevard N	Stillwater	99	6,001	60.62
14100 St Francis Blvd	Ramsey	141	8,621	61.14
8950 France Ave S	Bloomington	152	9,309	61.24
1621 McGlynn Rd	Chanhassen	134	8,300	61.94
7561 142nd St.	Apple Valley	133	8,320	62.56
10487 165th St W	Lakeville	134	8,470	63.21
10790 University Ave N	Coon Rapids	88	5,567	63.26
202 E Hayden Lake Rd	Champlin	84	5,436	64.71
Riverview - 807 2nd Ave SE	Minneapolis	94	6,175	64.84
18295 Cascade Dr	Eden Prairie	172	11,712	68.09
1800 Greenwood Dr.	Burnsville	104	7,258	69.79
14080 Northdale Blvd	Rogers	132	9,300	70.45
2600 Center Dr	Hudson	138	9,900 E	71.74
12760 Anderson Lakes Parkway	Eden Prairie	178	13,100	73.60
13500 26th Ave. N	Plymouth	117	9,292	79.42

Source: McComb Group, Ltd., KinderCare website, County Websites, Google Earth, Costar, Scan/US.

Table 14

KINDERCARE CENTERS LICENSED CAPACITY AND TOTAL ENROLLMENT

KinderCare Location	City	Licensed Capacity	2009 Enrollment	Occupancy %
525 Huron Blvd. SE	Minneapolis	108	120-130	120.37
10851 Jefferson St NE	Blaine	95	90-95	100.00
3708 W. 44th St.	Minneapolis	83	78	93.98
4732 Excelsior Blvd.	St. Louis Park	174	160	91.95
14014 South Highway 13	Savage	155	140	90.32
1541 Humboldt Ave.	West St. Paul	90	70-80	88.89
4650 Hodgson Rd	Shoreview	96	85	88.54
15755 Rockford Rd	Plymouth	166	143	86.14
8950 France Ave S	Bloomington	152	130	85.53
8453 East Point Douglas Rd	Cottage Grove	132	110	83.33
14185 Essex Ave	Apple Valley	99	80	80.81
7924 Brooklyn Boulevard	Brooklyn Park	95	76	80.00
325 Cedar Street Suite 150	St. Paul	108	86	79.63
7964 Xerxes Ave N	Brooklyn Park	93	70	75.27
1621 McGlynn Rd	Chanhassen	134	100	74.63
7691 145th St W.	Apple Valley	95	50-70	73.68
8425 City Centre Dr	Woodbury	170	125	73.53
10790 University Ave N	Coon Rapids	88	62	70.45
5710 Loftus Dr	Savage	179	125	69.83
1800 Coon Rapids Blvd NW	Coon Rapids	96	67	69.79
3050 Fernbrook Lane N	Plymouth	122	85	69.67
13380 Grove Dr	Maple Grove	130	90	69.23
1000 Meadowlands Dr	White Bear Lake	131	90	68.70
1308 Greenwood Ct.	Shakopee	185	125	67.57
12760 Anderson Lakes Parkway	Eden Prairie	178	120	67.42
15080 Shannon Parkway	Rosemount	178	120	67.42
4475 Hwy 169 N	Plymouth	119	80	67.23
5310 Monroe St. NE	Fridley	105	70	66.67
7380 10th St N	Oakdale	176	115	65.34
2036 E. County Rd. D	Maplewood	115	75	65.22
2070 Burns Ave.	St. Paul	103	67	65.05
101 N. Blake Rd.	Hopkins	111	72	64.86
181 W. County Rd. B2	Roseville	110	70	63.64
1925 East County Road D	Maplewood	118	75	63.56
9745 Revere Lane N	Maple Grove	98	62	63.27
4545 N. Hamline Ave.	Arden Hills	127	70-80	62.99
6270 Sycamore Lane N	Maple Grove	124	78	62.90
17455 Kenrick Ave (or Junelle Path)	Lakeville	128	65-80	62.50
8098 Glen Lane	Eden Prairie	99	60	60.61
2791 County Road 10 NE	MoundsView	97	58	59.79
6740 Stillwater Boulevard N	Stillwater	99	59	59.60
7660 Kentucky Ave. N	Brooklyn Park	152	90	59.21
1888 East 134th St	Burnsville	175	100	57.14
2800 Corporate Place	Chanhassen	176	100	56.82
1865 Plaza Dr	Eagan	178	100	56.18
3420 N. Lexington Ave.	Shoreview	105	57	54.29
3620 Krestwood Lane	Eagan	129	70	54.26
7561 142nd St.	Apple Valley	133	70	52.63
18295 Cascade Dr	Eden Prairie	172	90	52.33
1755 121st Ave NW	Coon Rapids	127	65	51.18
8825 Aztec Dr.	Eden Prairie	127	65	51.18
1101 Town Centre Dr.	Eagan	118	60	50.85
17701 Excelsior Boulevard	Minnetonka	119	60	50.42
10801 Rhode Island Ave S	Bloomington	131	66	50.38
6435 Lake Road Terrace	Woodbury	174	87	50.00
8800 Cedar Ave. S	Bloomington	121	60	49.59
8400 City Centre Dr	Woodbury	134	65	48.51
1485 Bunker Lake Blvd NW	Andover	166	80	48.19
4194 Pilot Knob	Eagan	125	60	48.00
202 E Hayden Lake Rd	Champlin	84	40	47.62
1800 Greenwood Dr.	Burnsville	104	45	43.27
14100 St Francis Blvd	Ramsey	141	60	42.55
14080 Northdale Blvd	Rogers	132	55	41.67
13500 26th Ave. N	Plymouth	117	45	38.46
4012 Adair Ave. N	Robbinsdale	75	24	32.00
6020 Earle Brown Dr.	Brooklyn Center	116	55*	NA
13033 Valley View Rd.	Eden Prairie	115	NA	NA
2600 Center Dr	Hudson	138	70*	NA
17420 Dodd Blvd.	Lakeville	153	NA	NA
10487 165th St W	Lakeville	134	45*	NA
2186 Fairview Ave. N	Roseville	96	65*	NA

* Full Time Enrollment.

Source: McComb Group, Ltd., KinderCare website, County Websites, Google Earth, Costar, Scan/US.

KinderCare Locations Licensed For Less Than 100 Students

Riverview KinderCare Learning Center was licensed for 94 students. KinderCare had an additional 17 learning centers that were licensed for less than 100 students, as shown in Table 15. The range of licensed students ranged from 75 in Robbinsdale to 99 for learning centers in Apple Valley, Eden Prairie, and Stillwater. Twenty-five percent of KinderCare Learning Centers in the Metro Area were licensed for fewer than 100 students. Six of these learning centers had occupancy of 80 percent or more. The average occupancy was 71.5 percent, which was higher than the larger KinderCare Learning Centers. Gross building area ranged from 3,600 square feet to 6,000 square feet. Parcel size ranged from 0.37 acre to one acre. Building area per licensed student ranged from 44.92 square feet to 64.71 square feet. Each of the other KinderCare Learning Centers with less than 100 licensed students had a smaller building, a smaller site, and less gross building area per licensed student. In addition, the average occupancy of the smaller buildings was higher than for the KinderCare Learning Center licensed for over 100 students.

Table 15
KINDERCARE LEARNING CENTERS LICENSED FOR LESS THAN 100 STUDENTS; 2009

Address	City	Total Capacity	Enrolled	Gross Building Area	Acres	Building Area per Capacity	Occupancy
Urban							
Riverview	Minneapolis	94	84**	6,175	1.17	65.69	89.36 **
Suburban							
7691 145th St W.	Apple Valley	95	50-70	4,620	0.88	48.63	73.68
14185 Essex Ave	Apple Valley	99	80	4,900	0.58	49.49	80.81
10851 Jefferson St NE	Blaine	95	90-95	4,629	0.53	48.73	100.00
7964 Xerxes Ave N	Brooklyn Park	93	70	4,900	0.75	52.69	75.27
7924 Brooklyn Boulevard	Brooklyn Park	95	76	4,860	0.52	51.16	80.00
202 E Hayden Lake Rd	Champlin	84	40	5,436	0.65	64.71	47.62
10790 University Ave N	Coon Rapids	88	62	5,567	0.62	63.26	70.45
1800 Coon Rapids Blvd NW	Coon Rapids	96	67	4,312	1.00	44.92	69.79
8098 Glen Lane	Eden Prairie	99	60	4,750	0.70	47.98	60.61
9745 Revere Lane N	Maple Grove	98	62	4,864	0.63	49.63	63.27
3708 W. 44th St.	Minneapolis	83	78	4,704	0.57	56.67	93.98
2791 County Road 10 NE	MoundsView	97	58	4,900	0.72	50.52	59.79
4012 Adair Ave. N	Robbinsdale	75	24	3,600	0.37	48.00	32.00
2186 Fairview Ave. N	Roseville	96	65*	4,950	0.77	51.56	N/A
4650 Hodgson Rd	Shoreview	96	85	4,900	1.00	51.04	88.54
6740 Stillwater Boulevard N	Stillwater	99	59	6,001	0.96	60.62	59.60
1541 Humboldt Ave.	West St. Paul	90	70-80	5,300	0.84	58.89	88.89

* Families.

** August 2007.

Source: KinderCare website, County Websites, Google Earth, Costar, Scan/US.

KinderCare Student Penetration Index

Student penetration index is a method for comparing market penetration of KinderCare Learning Centers in relation to the 0 to 9 population within a three-mile radius. This penetration index is expressed as number of students per 1,000 population. For example, the Shakopee KinderCare Learning Center has a 2009 enrollment of 125 students and a 0 to 9 population of 4,267, which results in a penetration index of 29.3 students per 1,000 population age 0 to 9, as shown in Table 16. Suburban penetration indexes range from 29.3 at the Shakopee KinderCare Learning Center to a low of 1.6 at the Robbinsdale KinderCare location. Twenty-seven KinderCare Learning Centers have penetration indexes in excess of 10 students per 1,000 population aged 0 to 9. The average penetration index for all suburban KinderCare locations is 10.4.

Table 16
KINDERCARE LEARNING CENTERS PENETRATION INDEX
2009 ENROLLMENT AND 0 TO 9 POPULATION; 2007

KinderCare Location	City	0-9 Population Penetration Index	2009 Enrollment	0-9 Population
Urban				
525 Huron Blvd. SE	Minneapolis	6.50	120-130	19,998
Riverview - 807 2nd Ave SE	Minneapolis	3.86	84	21,734
325 Cedar St Suite 150	St. Paul	3.29	86	26,169
Suburban				
13033 Valley View Rd.	Eden Prairie	N/A	N/A	6,543
6020 Earle Brown Dr.	Brooklyn Center	N/A	55*	14,093
10487 165th St W	Lakeville	N/A	45*	8,588
2186 Fairview Ave. N	Roseville	N/A	65**	8,303
2600 Center Dr	Hudson	N/A	70*	2,148
1308 Greenwood Ct.	Shakopee	29.29	125	4,267
14080 Northdale Blvd	Rogers	22.07	55	2,492
8453 East Point Douglas Rd	Cottage Grove	21.60	110	5,092
4650 Hodgson Rd	Shoreview	19.69	85	4,318
6740 Stillwater Boulevard N	Stillwater	19.65	59	3,003
2800 Corporate Place	Chanhassen	18.85	110	5,304
1000 Meadowslands Dr	White Bear Lake	17.86	90	5,039
12760 Anderson Lakes Parkway	Eden Prairie	17.27	120	6,948
15755 Rockford Rd	Plymouth	17.20	143	8,312
15080 Shannon Parkway	Rosemount	17.14	120	7,002
14014 South Highway 13	Savage	16.34	140	8,567
8950 France Ave S	Bloomington	16.20	130	8,027
1621 McGlynn Rd	Chanhassen	15.71	100	6,366
7380 10th St N	Oakdale	14.89	115	7,721
8425 City Centre Dr	Woodbury	13.85	125	9,023
5710 Loftus Dr	Savage	13.33	125	9,378
4545 N. Hamline Ave.	Arden Hills	13.06	70-80	5,358
17455 Kenrick Ave (or Junelle Path)	Lakeville	12.82	65-80	6,241
10801 Rhode Island Ave S	Bloomington	12.28	66	5,376
4732 Excelsior Blvd.	St. Louis Park	11.01	160	14,528
1865 Plaza Dr	Eagan	10.88	100	9,195
13380 Grove Dr	Maple Grove	10.69	90	8,420
6435 Lake Road Terrace	Woodbury	10.58	87	8,226
10851 Jefferson St NE	Blaine	10.43	90-95	9,108
1888 East 134th St	Burnsville	10.32	100	9,686
1485 Bunker Lake Blvd NW	Andover	10.13	80	7,894
18295 Cascade Dr	Eden Prairie	10.05	90	8,951
3420 N. Lexington Ave.	Shoreview	9.95	57	5,726
3050 Fernbrook Lane N	Plymouth	9.67	85	8,794
2036 E County Road D	Maplewood	9.63	75	7,792
1925 E County Road D	Maplewood	9.52	75	7,876
8825 Aztec Dr.	Eden Prairie	9.48	65	6,856
6270 Sycamore Lane N	Maple Grove	9.22	78	8,460
14100 St Francis Blvd	Ramsey	9.06	60	6,625
8098 Glen Lane	Eden Prairie	9.03	60	6,646
9745 Revere Lane N	Maple Grove	8.85	62	7,006
8800 Cedar Ave. S	Bloomington	8.83	60	6,795
1541 Humboldt Ave.	West St. Paul	8.78	70-80	9,111
3620 Krestwood Lane	Eagan	8.42	70	8,309
17701 Excelsior Boulevard	Minnetonka	8.34	60	7,194
14185 Essex Ave	Apple Valley	8.12	80	9,857
1101 Town Centre Dr.	Eagan	7.73	60	7,766
7660 Kentucky Ave. N	Brooklyn Park	7.63	90	11,789
2791 County Road 10 NE	MoundsView	7.53	58	7,705
8400 City Centre Dr	Woodbury	7.20	65	9,022
4475 Hwy 169 N	Plymouth	7.15	80	11,187
101 N. Blake Rd.	Hopkins	6.62	72	10,873
7924 Brooklyn Boulevard	Brooklyn Park	6.54	76	11,614
10790 University Ave N	Coon Rapids	6.39	62	9,698
5310 Monroe St. NE	Fridley	6.27	70	11,173
4194 Pilot Knob	Eagan	6.20	60	9,672
7561 142nd St.	Apple Valley	6.09	70	11,489
181 W. County Road B2	Roseville	6.04	70	11,589
1800 Coon Rapids Blvd NW	Coon Rapids	5.95	67	11,266
1755 121st Ave NW	Coon Rapids	5.64	65	11,524
13500 26th Ave. N	Plymouth	5.19	45	8,667
7964 Xerxes Ave N	Brooklyn Park	4.99	70	14,041
1800 Greenwood Dr.	Burnsville	4.90	45	9,191
3708 W. 44th St.	Minneapolis	4.89	78	15,938
202 E Hayden Lake Rd	Champlin	4.84	40	8,267
2070 Burns Ave.	St. Paul	4.55	67	14,731
7691 145th St W.	Apple Valley	4.31	50-70	11,592
4012 Adair Ave. N	Robbinsdale	1.58	24	15,182

* Full-Time.

** Families.

Source: McComb Group, Ltd., Kindercare website, County Websites, Google Earth, Costar, Scan/US.

Distance From Other KinderCare Learning Centers

Six pairs of KinderCare Learning Centers are located less than one mile from each other in the Metropolitan Area. These six pairs of KinderCare Learning Centers are shown on Map 3, listed in Table 17, and described below.

Table 17
KINDERCARE CENTERS LESS THAN ONE MILE FROM EACH OTHER

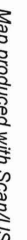
City	KinderCare Center		Distance (miles)	0-9 Pop Penetration Index
	Address	Address		
Eden Prairie	Aztec	Anderson Lakes	0.07	26.60
Brooklyn Park	Brooklyn Blvd	Kentucky	0.09	14.01
Woodbury	8400 City Centre	8425 City Centre	0.11	21.06
Maplewood	2036 CR D	1925 CR D	0.31	18.34
Apple Valley	142nd	145th	0.36	11.36
Blaine/Coon Rapids	Jefferson	University	0.58	15.46

Source: McComb Group, Ltd. and Scan/US.

- ◆ KinderCare Learning Centers in Eden Prairie at 8825 Aztec Drive and 12760 Anderson Lakes Parkway are located 0.07 miles from each other. The penetration index is 26.6 students per 1,000 population aged 0 to 9.
- ◆ In Brooklyn Park, KinderCare Learning Centers at 7924 Brooklyn Boulevard and 7660 Kentucky Avenue North are 0.09 miles apart. The penetration index for these two KinderCare Learning Centers is 14.0 students per 1,000 population aged 0 to 9.
- ◆ In Woodbury, KinderCare Learning Centers at 8400 City Centre Drive and 8425 City Centre Drive are directly across the street from each other 0.11 miles apart. The penetration index is 21.1 students per 1,000 population aged 0 to 9.
- ◆ Two KinderCare Learning Centers in Maplewood, located at 2036 County Road D and 1925 County Road D are 0.31 miles apart. These two centers have a combined penetration index of 18.34 students per 1,000 population aged 0 to 9.
- ◆ KinderCare Learning Centers in Apple Valley at 142nd Street and 145th Street are 0.36 miles apart. The penetration index for these two KinderCare Learning Centers is 11.4 students per 1,000 population aged 0 to 9.
- ◆ In Blaine and Coon Rapids, two KinderCare Learning Centers located at 10851 Jefferson Street NE and 10790 University Avenue North are 0.58 miles apart. The student penetration index is 15.5 students per 1,000 population aged 0 to 9.

This analysis shows that it is not unusual for KinderCare Learning Centers to be located within less than half a mile of another KinderCare Learning Center location.

KINDERCARE LEARNING CENTERS LESS THAN ONE MILE APART



Chapter V

RIVERVIEW KINDERCARE LEARNING CENTER RELOCATION

KLC had the opportunity to relocate its learning center to a new location. This location could be in northeast or southeast Minneapolis or some other location in the Twin Cities of its choosing. The new center could be in a location compatible with either the suburban or urban site criteria established by the company. KLC would have 24 months to select a new site and qualify for relocation.

The I-35W Bridge collapsed on August 1, 2007. KLC was given preliminary notice that its Riverview KinderCare Learning Center was to be acquired on August 8, 2007. Written notice occurred on August 15, 2007. On August 22, 2007, KLC sent letters to parents of its students that the Riverview KinderCare location would close in ten weeks on November 2nd.

Timothy Davis described KLC's process for establishing a new daycare location. Once a location is found, it is presented to the executive committee, leases and purchase agreements are negotiated and approved, the learning center is designed and construction must be commenced and completed. For a new building, this process would take 18 to 24 months. In the case of a leased space in an existing building that met the KinderCare needs, it would make it virtually impossible to negotiate tenant improvements for a daycare center in the 12 weeks between August 8th and November 2nd, the date that Riverview KinderCare Learning Center would close. This indicates that it would not be possible to have a relocated KinderCare Learning Center open in time to accommodate Riverview KinderCare students in a new learning center. KinderCare did have the opportunity to relocate to a new location of its choosing. At the Condemnation Commissioner Hearing, representatives of KLC testified that they could not find a relocation site that met their criteria, and requested compensation for loss of going concern value. Minnesota Law provides as follows:

Compensation for loss of going concern. If a business or trade is destroyed by a taking, the owner shall be compensated for loss of going concern, unless the condemning authority establishes any of the following by a preponderance of the evidence:

1. The loss is not caused by the taking of the property or entry to the remainder.
2. The loss can be reasonably prevented by relocating the business or trade in the same or similar and reasonably suitable location as the property that was taken, or by taking steps and adopting procedures that a reasonably prudent person of similar age and under similar conditions as the owner would take and adopt in preserving the going concern of the business or trade.

McComb Group, Ltd. was engaged by Mn/DOT to evaluate the Riverview KinderCare Learning Center's location, KLC's location criteria, and identify and evaluate potential relocation sites for a new KinderCare Learning Center. In conducting its evaluating, McComb Group considered the Riverview KinderCare site and environs, local street and freeway access, home zip codes of Riverview KinderCare students in August 2007, locations of other KinderCare Learning Centers and their three-mile radius ring, household income, and daytime employment concentrations. In

addition, relocation sites previously identified by Mn/DOT, KLC and Integra Realty Resources were considered. Mr. McComb searched the residential areas served by the Riverview KinderCare Learning Center that would support a relocated KinderCare Learning Center.

KLC real estate criteria for KinderCare are cited in Table 3 in Chapter III on page 16 and will not be repeated here. The KLC website states that “KLC...is expanding and aggressively looking for new real estate sites.” The website also contains the following statement:

Interested in selling your development or larger land parcel?

We are no longer limited with respect to size of parcel or complexity of transaction!

If you are considering selling a larger development project or land parcel that would be suitable for KLC, please contact Green Street Real Estate Partners (Green Street_contact Green Street Real Estate Partners).

KLC has a strategic partnership with Green Street. Green Street invests in and develops real estate assets including office, retail, residential, and industrial properties throughout the United States. The KLC/Green Street partnership allows maximum flexibility in closing, owning and development properties suitable for child care and other complimentary uses.

KLC’s interest in expanding in the Twin Cities is demonstrated by the opening of three new KinderCare Learning Centers since August 1, 2007.

Riverview KinderCare Trade Area

Analysis of home zip codes for students enrolled at Riverview KinderCare in August 2007, found that 67 or 80 percent lived in the City of Minneapolis; 15 lived elsewhere in the Metropolitan Area, primarily in adjacent communities; and two lived out state. The largest concentration of students (44) was from northeast and southeast Minneapolis and New Brighton, as shown in Table 18. South Minneapolis, east of I-35W, accounted for 15 students. These two areas represented about 70 percent of Riverview KinderCare enrollment. This area, shown on Map 4, represents Riverview KinderCare’s trade area.

Table 18
RIVERVIEW KINDERCARE STUDENTS AND FAMILIES; 2007

Area/Zip Code	Students		Area/Zip Code	Students	
	Number	Percent		Number	Percent
Northeast/Southeast			South		
55413 - Minneapolis	4		55406 - Minneapolis	5	
55414 - Minneapolis	17		55407 - Minneapolis	2	
55418 - Minneapolis	19		55417 - Minneapolis	7	
55421 - Minneapolis	1		55454 - Minneapolis	1	
55455 - Minneapolis	1		Subtotal	15	17.9 %
55112 - New Brighton	2				
Subtotal	44	52.4 %	Other Areas		
Western Minneapolis			55425 - Bloomington	2	
55408 - Minneapolis	1		55082 - Stillwater	2	
55409 - Minneapolis	2		55343 - Minnetonka	2	
55410 - Minneapolis	1		55104 - St. Paul	1	
55419 - Minneapolis	2		55117 - St. Paul	1	
55411 - Minneapolis	1		55119 - St. Paul	1	
55412 - Minneapolis	3		55113 - Roseville	1	
Subtotal	10	11.9 %	55426 - St. Louis Park	1	
			55318 - Chaska	1	
			55343 - Edina	1	
			55309 - Big Lake	1	
			56401 - Brainerd	1	
			Subtotal	15	17.9 %
			Total	84	100.0 %

Source: Knowledge Learning Centers and McComb Group, Ltd.

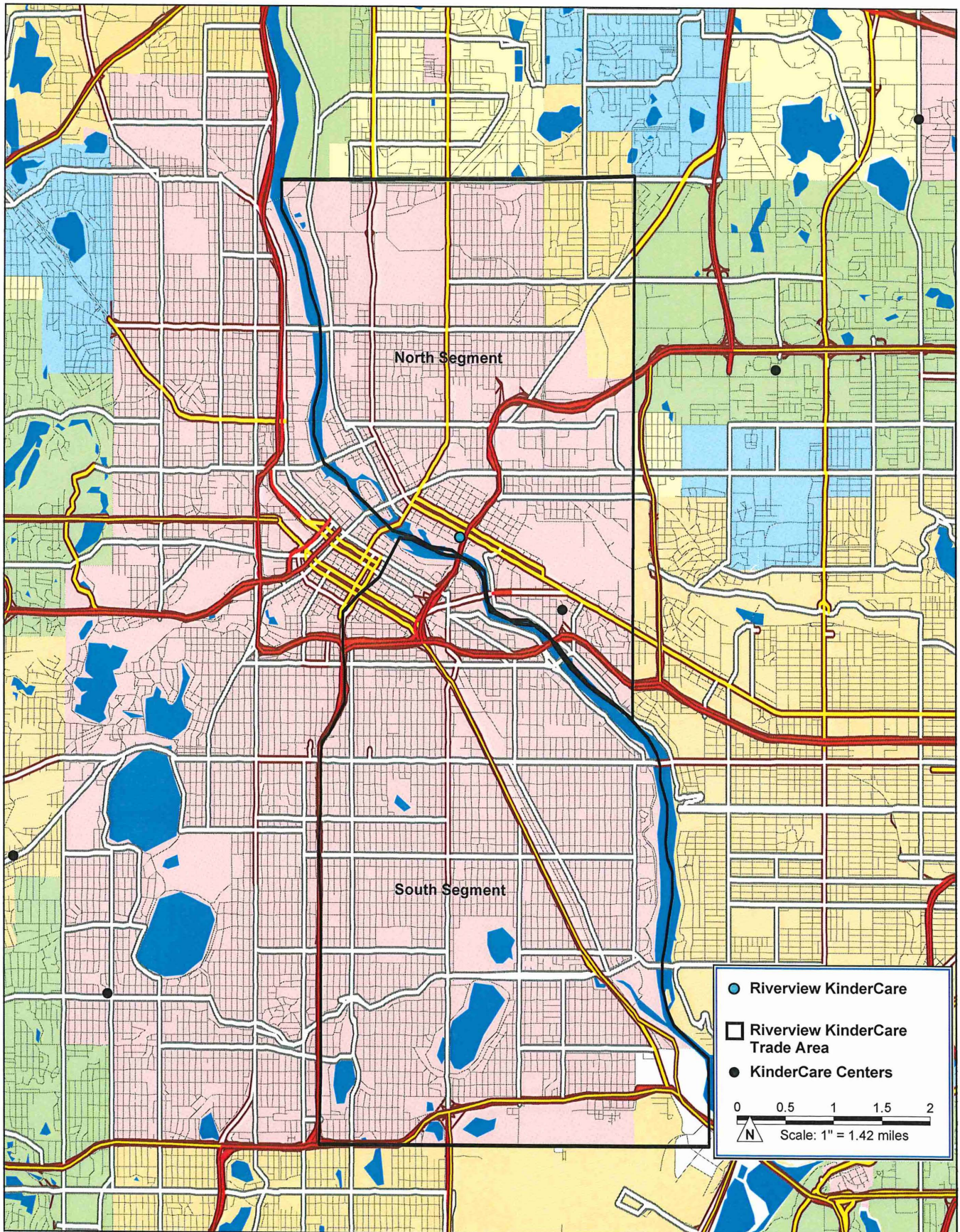
Demographic characteristics for the north and south portions of the Riverview KinderCare Learning Center trade area are contained in Table 19. North segment 0 to 9 population in 2007 was 6,491. Based on 44 enrolled students from that area, the penetration index was 6.78, slightly below the average penetration index of 10.45 for all suburban KinderCare locations. South segment 0 to 9 population was 18,094, almost three times the child population of the north segment. With only 15 enrolled students, the penetration index was 0.83. Population density age 0 to 9 in the Riverview KinderCare trade area is shown on Map 5.

Table 19
RIVERVIEW KINDERCARE TRADE AREA CHARACTERISTICS

Characteristic	Segment	
	North	South
Enrolled Students (2009)	44	15
0 to 9 Population (2007)	6,491	18,094
Penetration Index	6.78	0.83
Daytime Employment (2008)	89,979	92,453
Median Income (2007)	\$ 43,028	\$ 46,487
Households with Income Above \$75,000	6,575	13,115

Source: Scan/US, Inc.

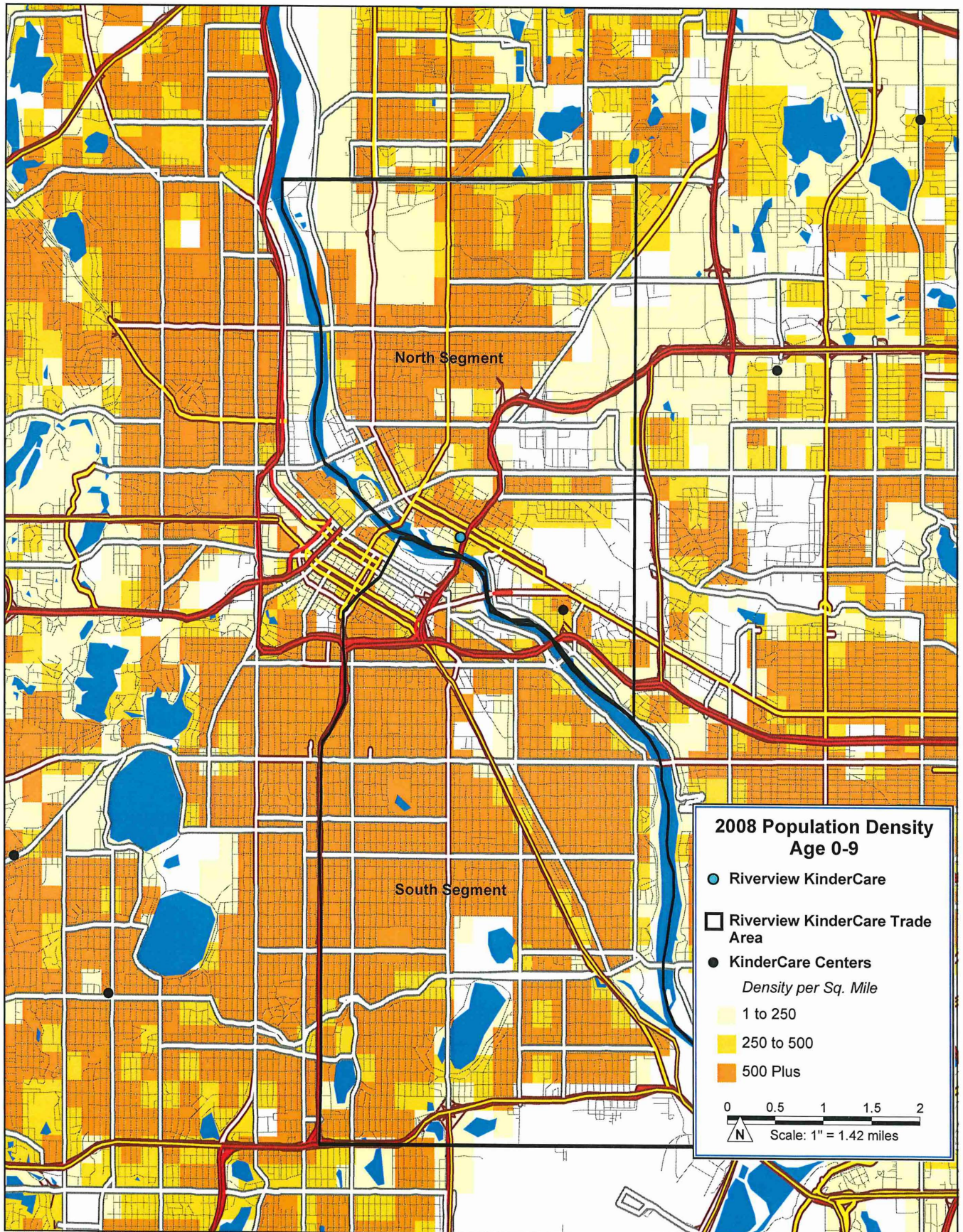
Map 4
RIVERVIEW KINDERCARE TRADE AREA



Map produced with Scan/US

Map 5

RIVERVIEW KINDERCARE TRADE AREA POPULATION DENSITY: AGE 0 TO 9



Map produced with Scan/US

Trade area daytime employment is 8,979 employees in the north segment. The south segment has very high daytime employment with 92,453. Daytime population density (Map 6), illustrates clusters of high density employment including the area north of East Hennepin Avenue east of I-35W, the University of Minnesota, the area in the vicinity of Hennepin Avenue and Central Avenue, downtown Minneapolis, and the area around and north of Lake Street and Minnehaha Avenue.

Median household income in 2007 was \$43,028 in the north segment and \$46,487 in the south segment. Areas with median income above \$60,000 are shown on Map 7. This includes the northeast portion of the north trade area segment and the east and south portions of the south segment. The north segment of the trade area had 6,575 households with incomes above \$75,000 compared to almost double that number in the south segment with 13,115.

Riverview KinderCare Learning Center had a low penetration rate in the south segment of its trade area, which has almost triple the 0 to 9 age population, more daytime employment, a higher median household income, and twice as many households with incomes above \$75,000.

Distribution of suburban KinderCare Learning Centers and their respective three-mile rings are shown on Map 9. KinderCare Learning Centers have extensive coverage in the suburban areas of the Twin Cities with numerous circles overlaying other circles overlaying other circles demonstrating the extensive coverage of the 69 existing suburban learning centers. None of the three-mile rings for existing suburban KinderCare Learning Centers cover portions of north Minneapolis and south Minneapolis that were served by Riverview KinderCare Learning Center. There is also a large portion of western St. Paul that is not served by KinderCare. These voids in service by KinderCare provide the basis for searching for potential sites for a relocated KinderCare facility that would serve areas that were served by the Riverview KinderCare facility.

Residence location of Riverview KinderCare students demonstrates that approximately half lived in northeast and southeast Minneapolis and would rely on local streets and possibly I-35W to reach the Riverview location, as shown in Table 20.

Table 20
APPROACH ROUTES TO RIVERVIEW KINDERCARE

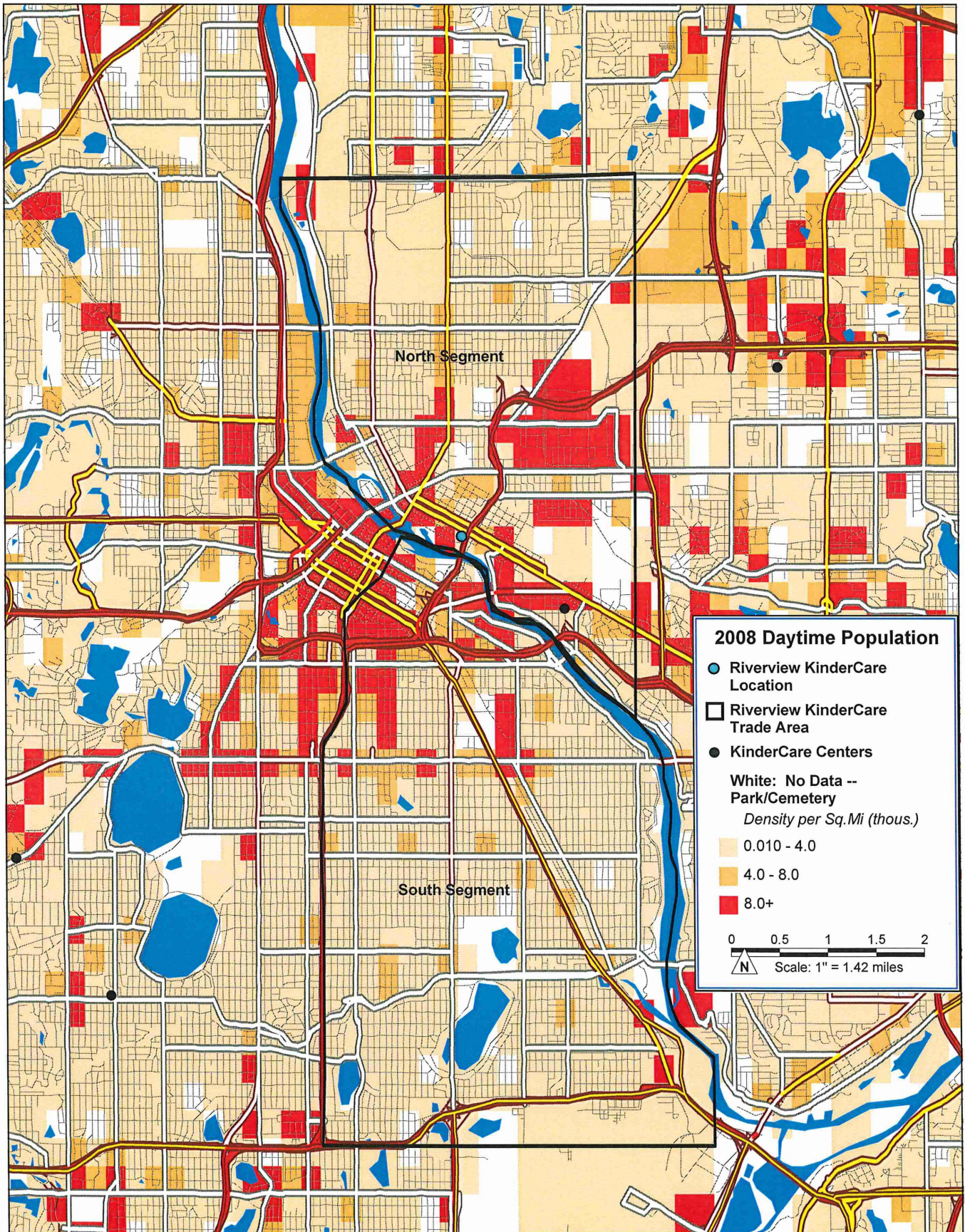
Area	Route	Students
Northeast/Southeast	Local Streets	42
Northeast Communities	I-35W from North	6
South Minneapolis/Bloomington	Hiawatha Avenue/I-35W	17
Western Minneapolis & Suburbs	I-94/I-35W	12
Southwest Minneapolis	I-35W from South	5
St. Paul	I-94 from East	2

Source: McComb Group, Ltd.

An additional six from northeastern suburbs would utilize I-35W also for a total of 57 percent arriving from the north and east. Seventeen students from south Minneapolis and Bloomington

Map 6

RIVERVIEW KINDERCARE TRADE AREA DAYTIME POPULATION DENSITY: 2008



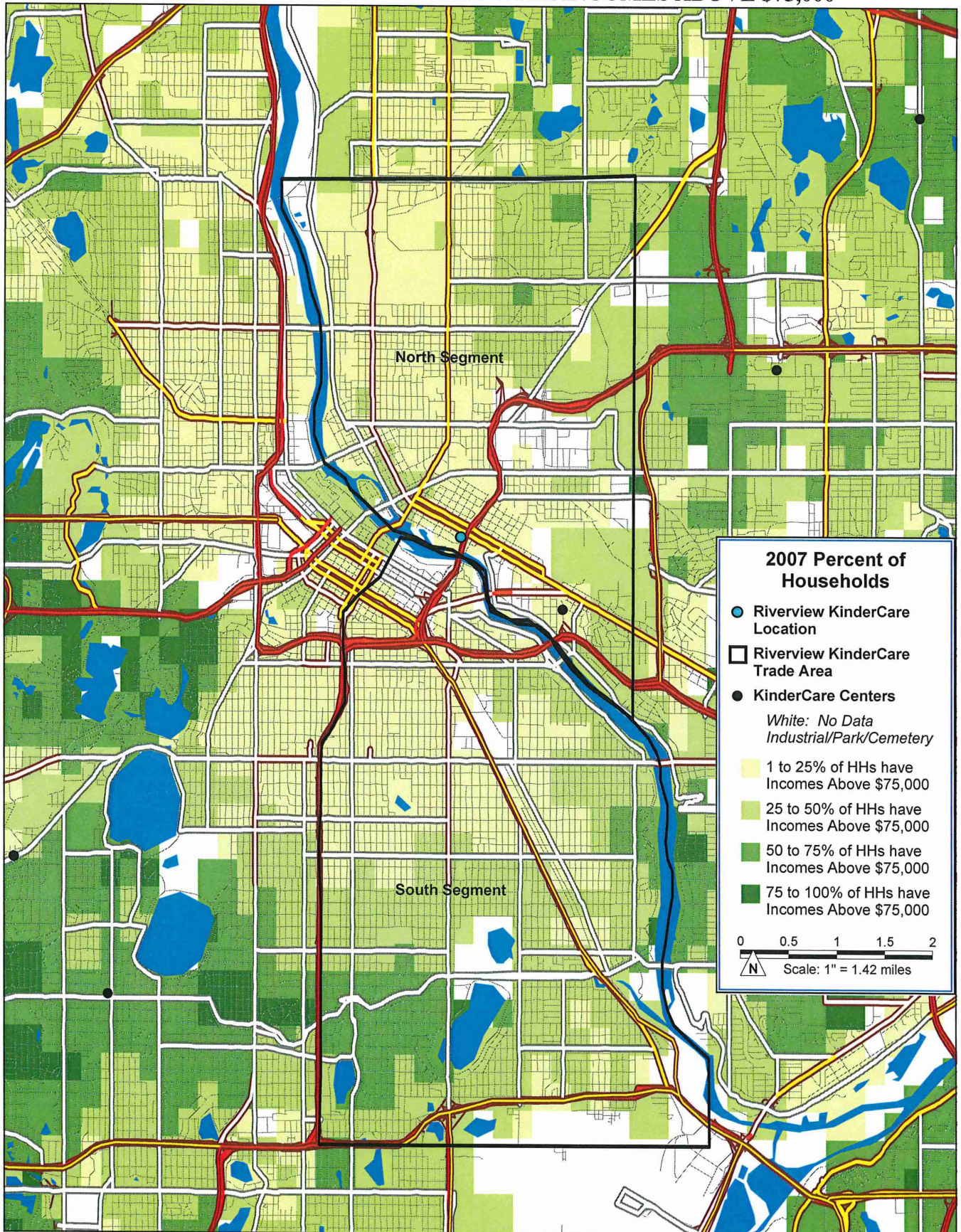
Map produced with Scan/US

Map 7

RIVERVIEW KINDERCARE TRADE AREA 2007 MEDIAN HOUSEHOLDS INCOME ABOVE \$60,000



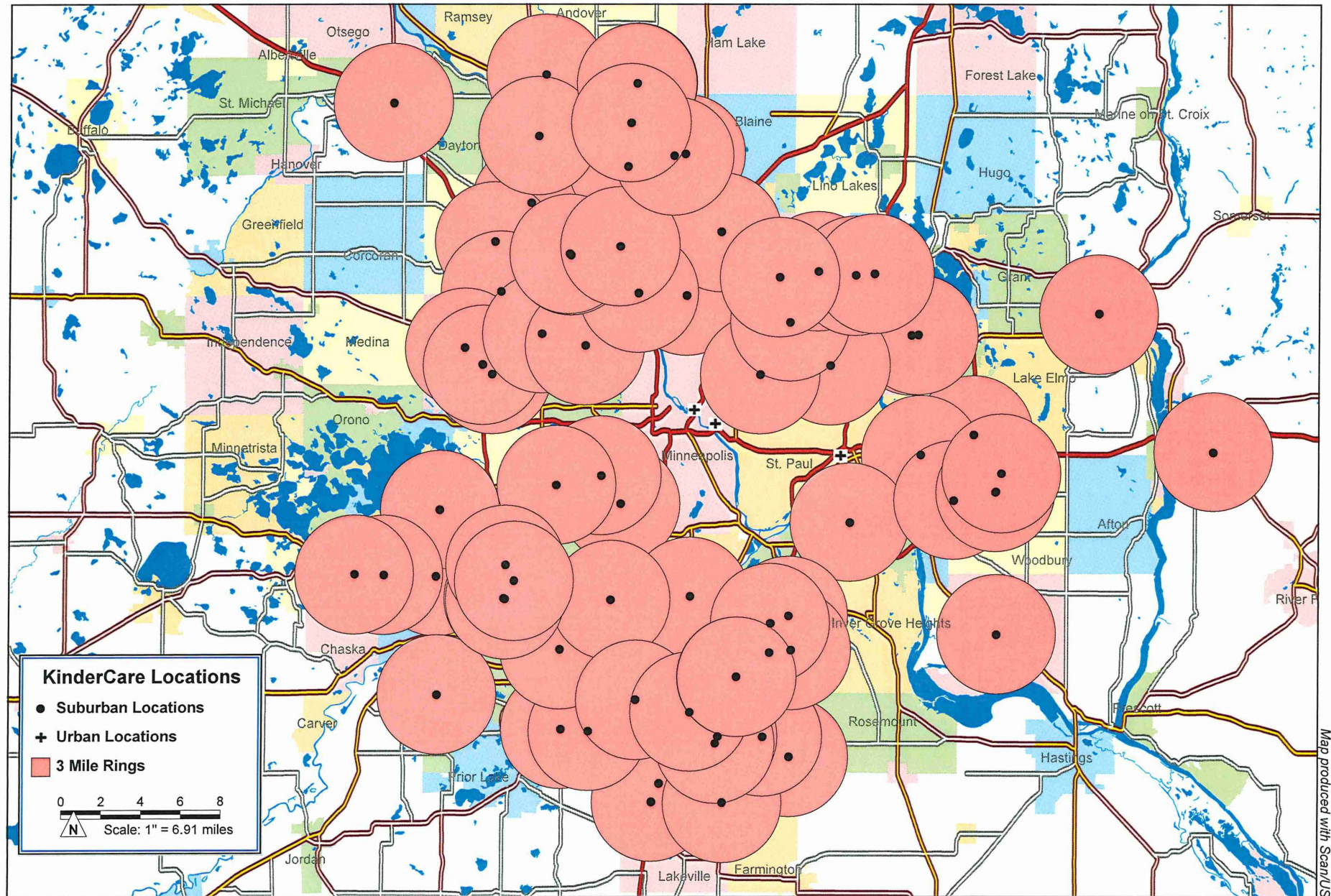
Map 8
RIVERVIEW KINDERCARE TRADE AREA
2007 PERCENT OF HOUSEHOLDS WITH INCOMES ABOVE \$75,000



Map produced with Scan/US

Map 9

SUBURBAN KINDERCARE LEARNING CENTERS THREE-MILE RINGS



would most likely use Hiawatha Avenue to I-35W. Five students living in southwest Minneapolis would most likely arrive at Riverview KinderCare utilizing Hennepin Avenue or I-35W from the south. Twelve students lived in western Minneapolis and its suburbs (14 percent) and out-state students. These students would most likely arrive at Riverview KinderCare by way of I-394, I-94 and I-35W. Two students living in St. Paul (zip code 55104 and 55119) would most likely arrive by way of I-94 and would utilize local streets to reach Riverview KinderCare since there is no direct connection from I-94 from the east and I-35W northbound.

This analysis suggests that logical relocation sites for the displaced Riverview KinderCare Learning Center students would be in northeast Minneapolis, south Minneapolis or downtown. A search for sites that were or could be available for a daycare center in the fall of 2007 or 2008 was focused on those general areas. The objective was to find a location that could accommodate a KinderCare Learning Center with a license capacity of 94 students, consistent with KinderCare's site criteria as stated on their website, but also taking into consideration the demographic characteristics of existing KinderCare Learning Centers. These sites could be existing buildings in leased space or vacant parcels where a new daycare center could be constructed. No information was provided on where the parents of children enrolled at Riverview KinderCare were employed. It is assumed that these parents worked in downtown Minneapolis, the University of Minnesota area, or some other work location in the area.

Minneapolis Zoning Code

The Minneapolis Zoning Code effective in August 2007 permits childcare centers in locations that are zoned Office Residence Districts OR2 and OR3; Commercial Districts, Downtown Districts, and Industrial Districts I1 and I2. Under the zoning code, daycare and/or childcare could only be located in a residential zoned area if it was located in an existing building. Erecting a new childcare or daycare facility in a residential district was and is not now permitted under the Minneapolis Zoning Code. Specific development standards for a childcare center are cited below.

- (1) In the residence and OR1 Districts, the use shall be located in a nonresidential structure existing on the effective date of this ordinance, or nursing home.
- (2) The use shall provide a designated area for the short-term parking of vehicles engaged in loading and unloading children, as specified in Chapter 541, Off-Street Parking and Loading. The designated area shall be located as close as practical to the principal entrance of the building and shall be connected to the building by a sidewalk.
- (3) Play equipment shall not be located in required front, side or rear yards and shall be effectively screened from any adjacent residential use located in a residence or office residence district or from a ground floor permitted or conditional residential use, as specified in Chapter 530, Site Plan Review.
- (4) To the extent practical, all new construction or additions to existing buildings shall be compatible with the scale and character of the surroundings, and exterior building materials shall be harmonious with other buildings in the neighborhood.

- (5) An appropriate transition area between the use and adjacent property shall be provided by landscaping, screening and other site improvements consistent with the character of the neighborhood.

A child care center in Minneapolis must have a minimum of 1 space per 500 square feet of GFA plus 2 drop off spaces (either off-street or on-street by permission of the city engineer) and a maximum of 1 space per 200 square feet of GFA plus up to four drop off spaces (either off-street or on-street by permission of the city engineer).

KinderCare's parking requirements are consistent with this parking provision.

Relocation

Many of these KinderCare Learning Centers are older and were constructed prior to KLC's acquisition of KinderCare in 2006. The Riverview KinderCare was constructed in 1987 and was, according to KLC, profitable in a building that was only 6,175 square feet, much smaller than the national building size criteria of 8,000 square feet or the Minnesota criteria of 9,500 square feet. If KLC is expecting to replace the Riverview building of 6,175 square feet with a 9,500 square foot building, this is a 54 percent increase in size. This building would need a higher enrollment to support its additional size.

Existing KinderCare Learning Centers in excess of 9,000 square feet have licensed capacity ranging from 152 to 185. Of the 13 KinderCare Learning Centers larger than 9,000 square feet, 10 have licensed capacity from 170 to 185 students for an average of 176.2 students. This suggests that a new 9,500 square foot KinderCare Learning Center would have a licensed student capacity of 176 or more students and assuming an occupancy of 70 percent, an enrollment of 123 students.