

MN SHOPPING CENTERS

# A POSITIVE IMPACT ON OUR ECONOMY

JANUARY 2019



MINNESOTA SHOPPING  
CENTER ASSOCIATION

# OUR GOAL

To promote a market in which businesses choose to start and expand in Minnesota. This creates jobs and grows the local economy, which are two pillars needed to maintain the strong fundamentals that give our State a solid foundation. The Minnesota Shopping Center Association (MSCA) has been an active industry advocate for 31 years. Founded in 1988, MSCA members represent a broad spectrum of industry participants, including owners, retailers, developers, property managers, appraisers, and vendors.



THERE ARE **105.7 MILLION SF** OF RETAIL IN MINNESOTA

**\$2.8B**

**2017 MN SHOPPING CENTER  
SALES TAX COLLECTED**

**\$5.6B**

**2017 TOTAL MINNESOTA  
SALES TAX COLLECTED**

## Shopping Centers: CREATING JOBS & OPPORTUNITY

- The shopping center industry employs an estimated **309,403** people in MN.
- The retail industry provides employment and benefits to hundreds of thousands of Minnesota families every year.
- Employment related to the shopping center industry offers growth and development across many levels and trades for Minnesotans including: entry level, managerial, sales, distribution, executive level, etc.

As shopping centers serve the entire public and create vibrant communities, the interests of the people of Minnesota are tied to the success of the shopping center industry. This is why MSCA strongly advocates for legislation that enhances business opportunities, allows companies to increase sales and grow Minnesota's employment base.





## LEGISLATIVE PRIORITIES

### Property Taxes

**MSCA appreciates the House and Senate's elimination of the property tax automatic inflator in the Omnibus bill.**

- Property taxes are typically passed through to tenants, many of which are small businesses. This ultimately raises their operating costs.
- Eliminating the automatic inflator will improve the business climate for Minnesota's retailers.

### Transportation

**MSCA supports an effective plan for transportation funding.**

- Minnesota must have an effective funding plan for roads, bridges and transit to ensure the continued quality and future growth of our communities.
- Transportation is a key component to the success of commercial real estate and local businesses, especially shopping centers.

### Sewer Availability Charges

**MSCA supports a transparent & better SAC process.**

- SAC charges are often a surprise and can be detrimental to the start-up, success and expansion of a new business.
- MSCA is making it a priority to understand and improve the SAC fee process for the betterment of local businesses.

“It [Sewer Availability Charge] was so overwhelmingly high we had to adjust the blueprint in order to lower the SAC/WAC charges. Even with those changes, it was still too high for our start-up business. Our fee was approximately \$35,000.”

*Nicole Kwon, CEO Bonsai Sushi*

“A vibrant shopping center industry is an important part of Minnesota's quality of life and strong economy. Minnesota shopping centers provide a wide variety of high quality retail shopping options for consumers. New shopping center developments bring economic vitality and foster a place of community gathering, in addition to maintaining the flexibility within the changing environment of the bricks and mortar locations. Keeping taxes low and regulations fair are critical to a strong shopping center industry in the state.”

*Jon Fahning, 2019 MSCA President*

### SHOPPING CENTERS ARE A VITAL INDUSTRY IN MN

They provide **\$2.8B** in sales taxes

That equals **50%** of the sales tax collected in our state



## ABOUT MSCA

The Minnesota Shopping Center Association (MSCA) is a nonprofit trade association that was initiated in 1988. MSCA is the largest statewide organization devoted solely to the retail real estate industry. With 300 companies and 650 members, the association represents developers, shopping center owners, brokers, property managers, retailers, attorneys, architects, appraisers, contractors, and all professionals serving the Minnesota real estate industry. Together, the members of MSCA own, operate and manage over **50 million square feet** of shopping centers in our trade area. MSCA offers its members excellent educational and networking opportunities, market research and trends, as well as participation in governmental affairs.

Sources: International Council of Shopping Centers (ICSC), CoStar Realty Information, Inc; US Bureau of Economic Analysis; US Bureau of Labor Statistics; US Census Bureau, The Sales Tax Clearinghouse; ICSC Research; Minnesota Department of Revenue

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