

MN SHOPPING CENTERS

A POSITIVE IMPACT ON OUR ECONOMY

JANUARY 2020



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 32 years. Founded in 1988, MSCA members represent a broad spectrum of industry participants, including owners, retailers, developers, property managers, appraisers, and vendors.



THERE ARE **102.4 MILLION SF** OF RETAIL IN MINNESOTA

\$2.3B

**2018 MN SHOPPING CENTER
SALES TAX COLLECTED**

\$5.7B

**2018 TOTAL MINNESOTA
SALES TAX COLLECTED**

Shopping Centers: CREATING JOBS & OPPORTUNITY

- The Minnesota retail real estate industry employs an estimated 607,840 people.
- 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 promotes a healthy business climate for the shopping center industry to thrive in Minnesota. We support recent reductions in the state general levy.

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

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.

Minnesota Municipal Fees

MSCA supports transparency in the evaluating and use of municipal fees.

- Municipal fees include everything from building and permitting fees to sewer availability charges (SAC).
- The inconsistency of these fees can be detrimental to the start-up, success and expansion of new business or development.

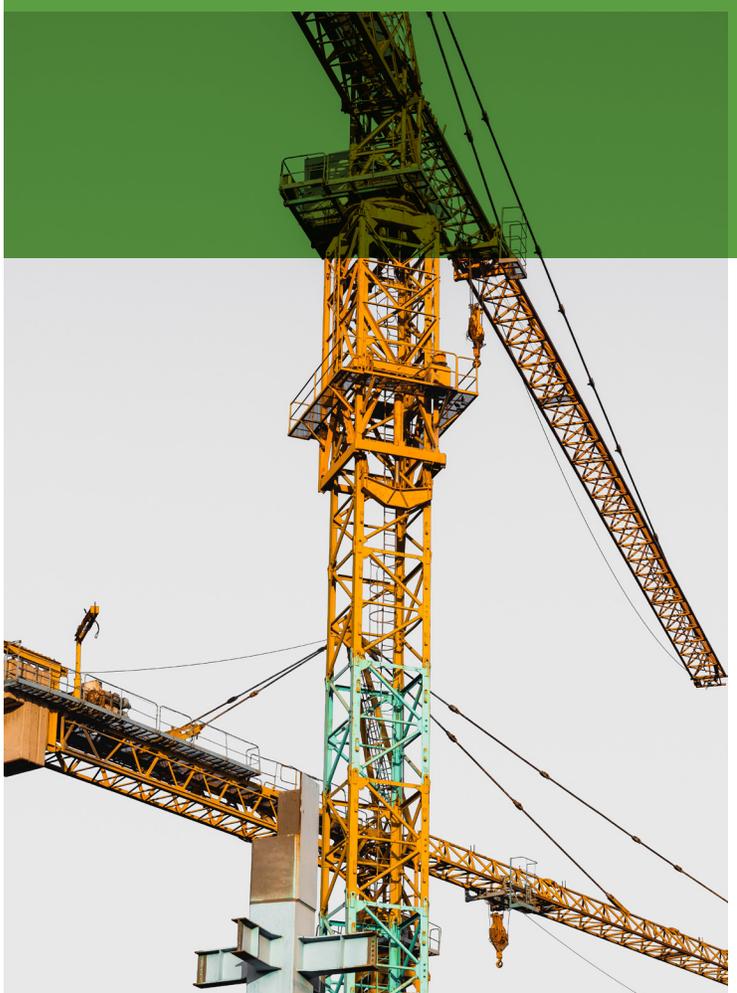
“The retail real estate industry is ever-evolving but there are certain priorities which remain constant. It is always critical that state property taxes remain competitive and affordable as an operating expense to our tenants and clients. Transportation is key to a robust metropolitan area. Other retail property issues, such as ADA lawsuits and SAC charges, need to be kept at manageable levels. More than ever, it’s essential we have the ability to attract and retain retailers to our bricks and mortar locations.”

*Wendy Aaserud, 2020 MSCA President
Cushman & Wakefield U.S., Inc.*

SHOPPING CENTERS ARE A VITAL INDUSTRY IN MN

They provide **\$2.3B** in sales taxes

That equals **40%** 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 over 600 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; NCREIF; 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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