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# MSCA news

VOLUME 21, NUMBER 8

AUGUST 2007

## HOW ARE MINNESOTA-BASED BIG BOX RETAILERS FARING THESE DAYS?

*Feature*

by Deb Carlson, Northstar Partners

The leader of the big boxes is clearly **SUPERVALU**, with their last 12 months' sales growth of 88.3%.<sup>1</sup> Much of this is attributed to its widely heralded transformation of its \$12 billion purchase of the Albertsons retail properties. Jeff Noddle, SUPERVALU chairman and CEO states, "We are very well-positioned for the next stage of growth as we implement initiatives designed to further deliver the economics of the acquisition by leveraging our competencies in both retail and supply chain." With SUPERVALU's stock

holding well over \$40 per share this year, the market appears to agree with him.

**Target** has had solid performance of 11.5% sales growth over the past 12 months.<sup>1</sup> As of June, they had sales of \$23 million for 2007, reflecting a total company sales change of 8.9%, with 4.3% of that being comparable stores (not including stores that opened in the last year). While the discount sector continues to be highly competitive, pushing down grosses in many departments, Target continues to aggressively pursue new markets and backfill

*Big Box Retailers on page 2*

## CEDAR POINT COMMONS

*Snapshot*

**Location:** Highway 77/Cedar Avenue and 66th Street

**Month/Year Open:** October 2007

**Owner/Managing Agent:** Ryan Companies US, Inc.

**Center Manager:** Connie Wasley - Ryan Companies US, Inc.

**Leasing Agent:** Chris Simmons and Kris Schisel - Welsh Companies (952) 897-7700

**Architect:** RSP Architects and Ryan Companies US, Inc.

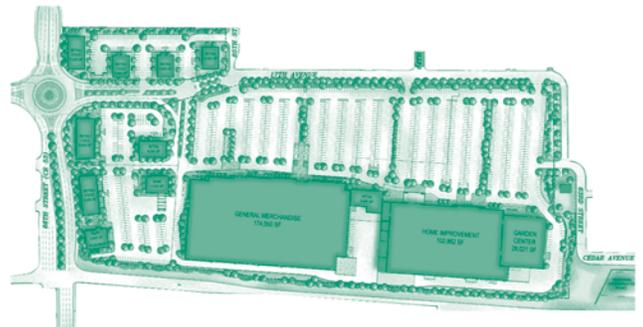
**Construction Contractor:** Ryan Companies US, Inc.

**GLA:** 350,000+ sf

**Current Occupancy:** SuperTarget, Home Depot, Caribou Coffee, Verizon Wireless

**Number of Stores:** TBD

**Anchor Tenants:** SuperTarget and Home Depot



**Market Area Served:** Twin Cities Metro

**Construction Style:** Steel frame and masonry

**Additional Facts/Narrative:** A 30-acre redevelopment project, Cedar Point Commons will include approximately 350,000 sf of retail space, featuring SuperTarget and Home Depot, as well as a full-service restaurant, bank and seven small retail buildings. The project will serve the densely populated South Minneapolis market from the strategic location at Highway 77/Cedar Avenue and 66th Street with over 82,000 vehicles passing the site every day.

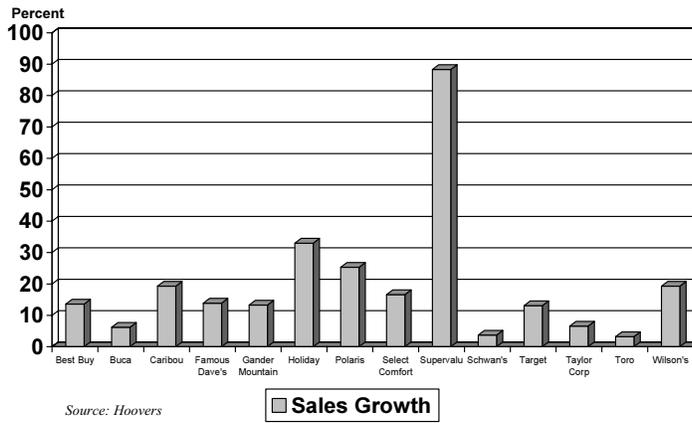
**BIG BOX RETAILERS** *continued*

existing markets, both here and around the country. Their store count in Minnesota is up to 66, with 17 of these units being SuperTarget stores.

**Best Buy** also continues on a new-store growth plan, with seven new stores opening in the US in June, bringing their store count to 839. Best Buy has increased its outlook for new store potential in the US and Canada by 40%, and could approach a count of 1,800 superstores. Brad Anderson, vice president and CEO, has stated "It is very rewarding to see so much opportunity for customer growth in front of us, particularly in our core US market." Best Buy sales growth is up 13.6% over the last 12 months.<sup>2</sup>

Closing in on their heels is **Gander Mountain**, with sales growth in the last 12 months of 13.3%.<sup>1</sup> More good news as they announced lower operating losses of \$18.9m in the first quarter, an improvement of 12.2% over the comparable period. They recently announced the acquisition of the assets of

**MN Based Retailers: Past 12-Month Sales Growth**

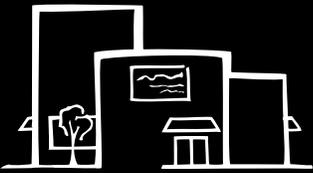


the Reeds Outdoor Super Store in Baxter, MN, closing this transaction in September. Mark Baker, President and CEO states, "We were pleased by the regional strength in our growing number of southern stores and by initial performance in our new offering of Tracker Marine boats. Both these trends are evidence of the operating momentum we are gaining from our merchandising initiatives and geographic diversification strategy." In Minnesota, Gander Mountain recently opened its new store in Eden Prairie.

How do these market leaders compare to other companies based around the US? Of the top 100 retailers in the country, ranked by sales, Wal-Mart clearly rules at the number one spot.<sup>3</sup> Target weighs in at number 5, Best Buy at number 11, and SUPERVALU retail at number 12.

(Gander Mountain is not rated). The July, 2007 annual retail review issue of STORES magazine predicts that the second half of the year tends to be make-or-break for most retailers, and believes the outlook is hazy for the end of 2007. By all accounts, the Minnesota-based retailers reviewed appear to be poised to finish well.

<sup>1</sup> Hoovers (a D&B company)  
<sup>2</sup> Hoovers and Forbes  
<sup>3</sup> STORES, July, 2007 issue ([www.stores.org](http://www.stores.org))



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## FEATURED CORPORATE SPONSORS COMPANY VISIONS

Thank You

### Grubb & Ellis/Northco Real Estate Services

More than the many services we offer, earning your trust in all we do is a significant factor to our success. It is why we are a transparent, collaborative-oriented firm. We put our clients first by focusing on strategic long-term real estate planning, and our experience and range of skills allow us to tailor our services to your needs.

### Paster Enterprises

Paster Enterprises has over 60 years experience in the development, leasing, and management of retail real estate. Paster Enterprises is dedicated to being an industry leader in enhancing communities by providing a quality mix of retailers within vibrant, aesthetically pleasing shopping centers.

### JE Dunn Construction

To be the preferred provider of construction services exceeding the expectations of our clients, design community and our stakeholders.

### NorthMarq Capital, Inc.

To be the premier commercial real estate mortgage banking firm in the market.

### Olsson Associates

Olsson Associates is a multidisciplinary consulting firm that provides a “more-than-engineering” approach. We pride ourselves on being a team of problem solvers. Our successes are the result of collaboration among dynamic and hard-working professionals who solve problems, create new environments, and provide specialized services in nearly every market imaginable.

### RSP Architects

What we imagine and build together is better than any of us can create alone.

### Hempel Properties

We develop collaborative relationships both internally and with firms who share our innovation, determination and exceedingly high expectations. Our efforts will result in a distinctive, thriving portfolio of real estate developments.

## COMMUNITY ENHANCEMENT

The Community Enhancement Committee has been busy planning fundraising events throughout the year to benefit MSCA's Caring Tree program. Our 2007 Caring Tree goal is to help 13,500 kids go back to school with necessary school supplies. To help achieve this goal, the committee has scheduled various after-hours events where MSCA members and their families can have fun while helping the cause. These events include selling tickets to the *St. Paul Saints Game* on July 31, hosting a river cruise on the *Jonathan Paddleford* on September 27, and sponsoring the *Winter Fun Event* February 29-March 2, 2008. Proceeds from these events and the annual MSCA Golf Event in June are earmarked for The Caring Tree kids in-need.

This year's Caring Tree program will take place August 3 through August 20, at participating shopping centers and TopLine Federal Credit Union branches throughout Minnesota. Since its inception, the Caring Tree has assisted more than 160,000 low-income, K – 12 students

throughout the State. We look forward to another successful Caring Tree program this year. Thank you for your donations both in time and money!

## MARKET STREET STATION EVENT HELPS THE CARING TREE

Kraus-Anderson Companies and the merchants of Market Street Station are participating in a month-long “Back to School” event beginning July 20th and running through August 20th. A celebration of the month long event will be held on **Thursday, August 16th from 5 p.m. to 8 p.m. at Market Street Station.** There will be live music from 5:00 – 7:30 pm, (Nanu, disk jockey; Random Act; the girls) food, entertainment and raffle prizes for all. All proceeds will be donated to The Caring Tree. For pricing and more information, please visit [www.caringtree.org](http://www.caringtree.org).



### 2007 LEADERSHIP OFFICERS

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Jay Scott, *Solomon Real Estate Group*

#### 1st Vice President

Bruce Carlson, *United Properties*

#### 2nd Vice President

Cindy MacDonald, *Kraus-Anderson Co.*

#### Treasurer

Ken Vinje, *CCIM, SCSM, Kraus-Anderson Co.*

#### Secretary

Brett Christofferson, *Weis Builders, Inc.*

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Deb Carlson, *Northstar Partners*

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Bill McCrum, *W.E. McCrum, Architect*

Stefanie Meyer, *United Properties*

Anthony M. Pasko, *Bremer Bank, N.A.*

### Immediate Past President

Sara Stafford, *LandAmerica*

### COMMITTEE CO-CHAIRS

#### Awards

Margaret Jordan, *Great Clips, Inc.*

Dan Parks, *Westwood Professional Services, Inc.*

### Community Enhancement

Nikki Aden, *Target Corporation*

Shelley Klaessy, *Brooks Mall Properties*

### Golf

Peter Armbrust, *United Properties*

Brad Kaplan, *United Properties*

### Legislative

Howard Paster, *Paster Enterprises*

Todd Johnson, *Main & Main Real Estate*

### Membership

Aaron Barnard, *Northstar Partners*

Mark Norman, *Park Midwest Commercial Real Estate*

### Newsletter

Deb Carlson, *Northstar Partners*

Sara Martin, *Welsh Companies, LLC*

### Program

John Tramm, *Griffin Companies*

Paula Mueller, *Northtown Mall/Glimcher Properties*

### Retail Report

Jen Helm, *United Properties*

Gregg Erickson, *United Properties*

### Technology

Cindy MacDonald, *Kraus-Anderson Co.*

Sean Cullen, *McCombs Frank Roos Associates*

### Sponsorship

Ned Rukavina, *United Properties*

Bill McCrum, *W.E. McCrum, Architect*

### MSCA STAFF

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Press releases are printed based upon availability of space and relevance to the local market.

- **VIA Cafe & Bar**, Hemisphere Restaurant Partners' newest restaurant concept, will be opening in Edina, Summer 2007. The restaurant will be located in the space previously occupied by Pizzeria Uno on France Avenue across from Southdale Shopping Center.
- **Victoria's Secret** plans to open a new store in Uptown after making multimillion-dollar renovations to the former Gap, a 15,000 sf location at the corner of Lake and Hennepin (3000 Hennepin Ave.). Gap closed that location late last year.
- **TCF** recently relocated from 50th Street in Edina to France Avenue in the new mixed-use project developed by Haugland Company on the southwest corner of France Avenue and 50th Street.
- **Benihana Inc.** opened its 59th teppanyaki restaurant in the Fountains Plaza at Arbor Lakes in Maple Grove.
- **Homemade Pizza Company**, named the Best Pizza in America and featured on the Oprah Winfrey show, located primarily in Chicago, will now be coming to the Twin Cities. Locations include Minnetonka (Country Village) and Wayzata (East Lake Street).
- Home-improvement chain **Menards Inc.** has added a grocery section to many of its stores. The new offering includes refrigerated cases of milk and eggs, pizzas, and racks of bread and snacks.
- **Harry's Food & Cocktails** opened in the former Nochee location adjacent to The Depot on Washington Avenue in downtown Minneapolis. The owners decided to reinvent their three-year-old Nochee concept and approached Shea in March to assist with rebranding it as Harry's Food & Cocktails.
- St. Louis, MO-based **Panera Bread** announced that it purchased 32 franchisee-operated stores, as well as the franchisees' area development rights, in Illinois and Minnesota for \$36 million, according to Co-Star.
- **Brasa Rotisserie**, a new restaurant concept from chef Alex Roberts, opened to the public at 600 E. Hennepin Avenue in Minneapolis. Brasa is the second concept developed by Roberts, who is chef/partner of the highly acclaimed Restaurant Alma, also in Minneapolis. Brasa's design was a collaboration between Roberts and marketing and design firm Shea, Inc., along with the construction team of Site Assembly, Inc.
- Griffin Companies represented Solomon Real Estate in the leasing of space at Ramsey Town Center to **Cellular Experts**. The 1,327 sf retail space will be the third location for the cell phone, satellite TV equipment and accessories retailer. Investor owned, Cellular Experts, has plans for additional expansion in Minnesota.

Press releases are printed based upon availability of space and relevance to the local market.

### GenCon Acquires Graus Construction

GenCon Construction has finalized its acquisition of Graus Construction. The acquisition will give GenCon a strong presence in the industrial construction market to go along with its growing base of commercial and institutional business.

### Ward Joins Madison Marquette

Dick Ward joined Capital Growth Properties Madison Marquette as Vice President.

### Suko Joins Ridgedale Center

Ridgedale Center announced Joan Suko as its new general manager. Suko will manage the shopping center's strategic direction, including leasing, development, management, financials, operations and marketing.

### Van Neste Promoted

Travis Van Neste, LS has been promoted to Survey Department Manager at Schoell Madson.

### Pfaff Joins Northstar

Brad Pfaff recently joined Northstar Partners.

## MSCA GOLF TOURNAMENT RAISES OVER \$53,000 FOR THE CARING TREE

The 16th Annual MSCA Golf Tournament raised over \$53,000 for The Caring Tree. With The Caring Tree's partnerships assisting to leverage financial donations, these proceeds can help send nearly 3,000 Minnesota children back to school with new school supplies.



**Pictured:** Left to right **Brad Kaplan**, Golf Co-Chair, presents **Mike Sims**, Caring Tree President, a check for \$53,748.91.

- It was announced that **J.B. Hudson Jewelers** will be relocating from the Macy's building at 770 Nicollet Mall to the Young Quinlan Building across the street. J.B. Hudson will be taking over the former Polo Ralph Lauren space.
- Hempel Properties recently broke ground on **Aldi Foods** at Elk Ridge Center in Elk River. The approximately 16,000 sf Aldi Foods will serve as the grocery anchor at Elk Ridge Center; other tenants include New Horizon Child Care, US Bank and Pearle Vision.

## WELCOME

# New Members

**David Stalsberg**, Kraus-Anderson Realty Company

**Joe Larsen**, Landform Engineering Company

**Dan Lessor**, Landform Engineering Company

**Larry Guthrie**, Lindquist & Venum PLLP

**Daniel Gilchrist**, Lindquist & Venum PLLP

**Mary Taylor**, Lindquist & Venum PLLP

**Melissa Baer**, Lindquist & Venum PLLP

**Brian Merz**, Upland Real Estate Group

**Jennifer Johnson**, Real Estate Professionals

**Josh Bloom**, CB Richard Ellis

**Matthew Spielbauer**, Landform Engineering Company

**Teri Whiting**, Robert Muir Company

**Christopher Perry**, Collateral Real Estate Capital, LLC

**Sue Peterson**, Kraus-Anderson Companies

**James LaValle**, Doran Companies

**Chuck Evans**, Commercial Property Consultants

## SALAD CREATIONS

# Rising Star

by Lisa Diehl, CSM Corporation

**W**hat comes to mind when you think of “salad”? Fresh? Crisp? Healthy? You’ll find all that and more in a concept called Salad Creations, based out of Margate, Florida. The company has been in business since 2003 with its first store in Boca Raton, Florida. It opened its 20th unit and has sold approximately 74 franchises this summer.

Jeff Levine, President of Salad Creations, notes that the shops can range from 250 sf kiosks to 1,500 sf in size.

The employees working behind the counter are just as much a part of the experience as the food. Salad Creations features a one-price “Create Your Own Salad” with a choice of nearly 30 “throw-ins” and their savory homemade dressings. The ingredients they use are super fresh. The concept serves soup, specialty salads and an assortment of wraps and smoothies.

An advantage for franchisees is that the Salad Creations store needs no expensive equipment such as a vent hood or grease traps. The startup range is \$111,000 to \$277,500. A franchise fee is \$25,000 per unit, with a royalty fee of 6% of gross sales. Each location requires about seven employees. The company is in the process of rolling out an Area Development program. The area developer for the Twin Cities market is Ryan Timm.

To date, there is one concept in Minneapolis located at 950 Nicollet Mall in the former Retek building on the skyway level. Ryan Timm and the company have plans to further expand in Minnesota. The company is looking for potential Minnesota franchisees. The goal is to have 50 in five to seven years. Brian Merz with Upland Real Estate is representing Salad Creations.

Visit [www.saladcreations.net](http://www.saladcreations.net) for more information on the concept.

## MSCA

# Member Profiles

## ROGER LENAHAN



**Company:** Cambridge Commercial Realty

**Primary Career Focus:** Retail Brokerage

**Hometown(s):** Buffalo, NY

**Family:** 4 boys – Dan, John, Tim, Joe

**Very First Job:** Kmart as a shoe salesman

**Dream Job:** Stand Up Comedian

**Secret Talent:** Making a loon call that loons will answer

**Favorite Food:** Steak

## THOMAS VON BISCHÉ



**Company:** Metro Land Surveying & Engineering (MLSE)

**Primary Career Focus:** Land Development Services

**Family:** Wife, Michelle, Aaron (17 years old), Calvin (1 year old)

**Hobbies:** Woodworking, gardening, photography and reading

**Very First Job:** McDonalds

**Dream Job:** Philanthropist

**Secret Talent:** Soup making

**MSCA Involvement:** STARR<sup>SM</sup> Awards Committee and Technology Committee

## 2007

# Events Schedule

Our monthly program meeting date is the first Wednesday of every month. All meetings will be held at 8:00 a.m. (registration at 7:30 a.m.) at the Doubletree Hotel Minneapolis Park Place unless otherwise noted or publicized before the program. Program topics and location are subject to change.

**Tuesday, September 11** – MSCA/ICSC Program, *Minneapolis Convention Center*

**Wednesday, October 3** – Headline Speaker

**Wednesday, November 7** – Retail Report

**Tuesday, December 4** – Year End Ceremonies / STARR<sup>SM</sup> Awards / Holiday Party, *Golden Valley Country Club*

by Josh Krsnak, Hempel Properties

**Who:** Ed Engoron,  
PERSPECTIVES/The Consulting  
Group, Inc.

**What:** Good Eats – Great Profits; an  
in-depth look at the restaurant  
industry

**When:** Wednesday, July 11

**Where:** Sheraton Bloomington Hotel

**Synopsis:** When it comes to understanding the restaurant industry, Ed Engoron knows his business. As President/CEO of PERSPECTIVES/The Consulting Group, Inc., Ed has been advising restaurant tours and organizations for the last 30 years. His firm specializes in strategic/concept planning, brand development, operations analysis and market research. On July 11, Ed provided his insight on the food industry to MSCA.

The food industry is a big business – estimated at \$1.1 trillion. According to Engoron, 52.5% of all food is now purchased at restaurants. Naturally, there is a strong consumer demand for both quality and convenient dining choices. Engoron and his company have analyzed this industry closely and have segmented the restaurant business into seven main categories:

1. Quick Service Restaurants (Subway, McDonalds, KFC)



**July presenters:** Left to right

Paula Mueller, *Northtown Mall/Glimcher Properties* (Moderator)

Ed Engoron, *PERSPECTIVES/The Consulting Group, Inc.* (Featured Speaker)

2. Fast Casual (Chipotle, Panera, Potbelly)
3. Family Dining (IHOP, Denny's, Perkins)
4. Barbecue (Famous Dave's, Tony Roma's)
5. Casual Dining (Chili's, TGI Friday's, Outback)
6. Fine Dining (Ruth's Chris, Morton's)
7. Indulgence (Cold Stone, Jamba Juice, Starbucks)

Of the seven dining categories, Engoron states that Quick Service Restaurants are responsible for 76% of all food-related traffic to a shopping center. Thus, tenants

within this category are very desirable to have within a mall. Conversely, Engoron feels that the Fast Casual segment is a struggling sector and urges landlords and franchisees alike to shy away. He says the same is true about the Family Dining segment. The Barbecue sector, on the other hand, is both fun and growing and should be watched closely. Finally, the Indulgence category, known for its sale of habit forming, addictive products, is starting to steal market share and meal periods from traditional restaurants due to the segment's abundance of store locations and captivating nature.

In terms of future trends, Engoron states that aging population will have a noticeable impact on the food industry. The omni-present drug store (CVS, Walgreens) will continue to expand and overcome the traditional convenience store (7-Eleven) as these stores offer both food and drugs. In addition, the general public's obsession with wellness and the feeling of being "forever young" will increase the demand for natural, organic and ethnic foods.

In all, the presence of successful food-related tenants within a shopping center, a mall, or a retail development has a significant impact on the overall traffic and thus profitability of a center. ■

## GOOD READS

# Bookmark

Summer is a great time to catch up on recreational reading. There is nothing like finding a shaded spot under a nice tree in a park and breaking out a good book to relax with. Some fiction recommendations that entertain and stimulate!

***State of Fear***, Michael Crichton, 2004: A suspenseful, intelligently written story of how the science of global warming and environmentalism can be manipulated by activists, terrorists, politicians and big-business.

***The Good Guy***, Dean Koontz, 2007: A new book by thrill writer Dean Koontz, this story is a fast paced read about a hit man chasing his prey and an average guy caught in-between.

***The Bourne Boxed Set***, Robert Ludlum, 1991: Not one, but three reads that established Robert Ludlum as one of the era's best spy/adventure writers. The Bourne Identity, The Bourne Supremacy, and The Bourne Ultimatum set a high standard for smart writing that set the tone for the Hollywood screenplays.

Contact Deb Carlson at [dcarlson@northstarparkers.net](mailto:dcarlson@northstarparkers.net) or Christopher Naumann at [cnaumann@kke.com](mailto:cnaumann@kke.com) with your reading recommendation.

## TECHNOLOGY

# Tip

Have you ever shown up energized and on-time for some pre-breakfast networking, only to find out you are at the wrong hotel? Well, now direct download to Microsoft Outlook is available through the MSCA Web site. Just click on the calendar icon and the event details will download directly to your Outlook calendar. This feature should help keep you creatures of habit on the right track. Any questions please call Sean Cullen at (763) 476-6010.

## OUTDOOR PRODUCTS RETAILERS – WHAT'S THE STRATEGY FOR SUCCESS?

# Hot Spots/Cold Snaps

by Ross Dahlin, Itasca Funding Group, Inc.

A recent unplanned Sunday afternoon fishing outing became a hassle when I had to travel several miles out of the way for bait and supplies. In Minnesota, you'd think a bait shop would be in every town and at every major intersection in the Twin Cities. However, several years of industry consolidation and superstore construction have left the Mom & Pop bait shop a rare phenomenon indeed. Outdoor-products retailers such as Cabelas, Gander Mountain, Dick's Sporting Goods, and others have a strategy of fewer, larger stores that capture retail sales from large geographic areas. Each of these retailers hopes to capture a portion of Minnesota's multi-billion dollar hunting and fishing industry. So far each has had varying degrees of success. New strategies, as well as new challengers will ensure that the battle of outdoor-products retailers will remain fierce.

Cabelas entered Minnesota in 1998 with its store in Owatonna and has since built locations in East Grand Forks and Rogers. In fact, Cabelas was here long before that with its successful catalog business. The Sidney, NE-based retailer has always focused on highly visible locations along Interstate Highways and has created true destinations with retail development surrounding the superstores. Cabelas is soon opening 13 locations across North America to add to its existing 19 and the company's stock is up 19% since it went public in 2004.<sup>1</sup>

St. Paul-based Gander Mountain has a long history in the state and continues on an aggressive growth strategy here and nationwide. Although disappointing sales and slumping share prices have plagued the company for years, recent events have created much reason for optimism. The company attracted \$50 million in fresh capital earlier this year and will focus its expansion in Texas and the southeast, which relies less on ice fishing and the recent variable winter weather than its northern markets.<sup>1</sup> Gander Mountain can now re-enter the catalog and online business after a federal judge ruled that the noncompete agreement with Cabelas is no

longer valid.<sup>2</sup> (Gander sold its catalog business to Cabelas in 1996). Since Internet and catalog sales account for half of Cabelas business, Gander Mountain can finally compete on an even playing field. The most recent rankings from Sporting Goods Intelligence show Gander outperforming Cabelas both in sales growth and return on equity.<sup>3</sup> Another recent event that should help the company locally was the purchase of Reeds Outdoor Super Store in Baxter.<sup>4</sup> This is just another example of a large retailer buying out a local tackle shop.

Dick's Sporting Goods entered our market in 2004 with the purchase of Galyan's. With five stores in the Twin Cities, the company is currently focused only in the metro area. It is the largest sporting-goods retailer in square footage nationwide and sells team-sporting equipment as well as outdoor products. Perhaps by offering a broader selection of merchandise the company has been quite profitable and has successfully captured market share from its smaller competitors. (Its stock is up 58% since '04)<sup>1</sup> However, the team sport equipment and apparel sector is also very competitive, with Sports Authority, Dunham Sports and others.

Other outdoor-products retailers include Scheel's, a privately held sporting-goods retailer with 23 stores in seven states. They have locations in Moorhead, Mankato, St. Cloud and an apparel-only store at Eden Prairie Center. The company's merchandise offering could be compared to Dick's. Sportsman's Warehouse also has three locations in Minnesota (St. Cloud, Coon Rapids and Woodbury) and focuses on hunting, fishing and camping merchandise. Sports Authority, REI, Sportsman's Guide (Internet & catalog-only), and of course Wal-Mart, also compete in this retail category. The business can be described as very fragmented, with a few large competitors; others that offer only limited selection of outdoor products, and independent stores that have managed to survive by offering superior service and/or locating in one of our many outstate lakes areas.

The "outdoor products" category is only going to get more competitive with the coming of a 300,000 sf Bass Pro Shop at Mall of America Phase II. Demographic shifts, such as younger generations becoming more ethnically diverse and having less access to the outdoors, will present additional challenges. The retailers must do more to support programs that promote youth hunting and fishing and find ways for urban young people to access Minnesota's outstanding natural resources. Gander Mountain, in partnership with the Dakota County Gun Club, promotes events such as "Youth Fun Shoots" and "Ladies Day."<sup>5</sup> Perhaps the only way to ensure survival is to diversify merchandise and appeal to a broader range of people. Considering recent trends, it would be a strange day indeed if the only place in town to get your bait and tackle is at the Mall of America.

<sup>1</sup> Gander gets time to hunt for success. [www.startribune.com](http://www.startribune.com) Feb. 4, 2007.

<sup>2</sup> Gander Mountain wins battle over name. [www.startribune.com](http://www.startribune.com) July 10, 2007.

<sup>3</sup> Sporting Goods Intelligence Retail Performance Rankings. [www.sginews.com](http://www.sginews.com) Quarter ended January 31, 2007.

<sup>4</sup> Company roundup. [www.startribune.com](http://www.startribune.com) Mergers and Acquisitions. July 13, 2007.

<sup>5</sup> [www.gandermountain.com/seminars](http://www.gandermountain.com/seminars)

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