

# Everything Old is New Again!

by Nancy Murdakes Brown, Suntime Commercial Realty

**E**verything old is new again! Times, hairdos, clothing and music styles all change and yet, as decades pass, the old inevitably becomes new again. Through the years, retail developers have mulled through demographic material to determine how best to satisfy and meet the consumer's desires, needs and wants. And, while retail development has been modified to meet the ever-changing needs of the consumer, has it really changed all that much? Look back over the past 50 years, and examine shopping patterns in retail commercial real estate.

In the early 20th Century, commercial real estate developers had built 2-level buildings in the Cen-

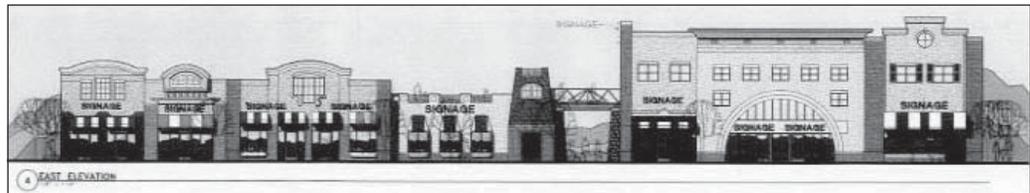
tral Business Districts (CBD's). These buildings contained storefronts on the main levels and apartments or professional businesses on the upper levels. During this time, the residents in Minnesota primarily did their shopping in those local downtown CBD's, such as Minneapolis, Hopkins, Bloomington or Edina. These residents would make a day of it and travel to the nearest CBD along Main Street and patronize the various shops and professional services. Such shops included the local hardware store, liquor store, barber shop, tailor, pharmacy, shoe shop, dress shop, men's formal wear and the local diner. These storeowners would know their customers by name and provide

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## SHOPPING CENTER SNAPSHOT

# MarketPlace West



**Location:** Otsego, MN

**Opening:** Planned for May 1, 2003

**Owner:** MarketPlace West, LLC.

**Managing Agent:** LandCor, Inc.

**Leasing Agent:** Steve Fischer or Chad Weeks,  
LandCor, Inc. (763) 315-0818

**Architect:** Reprise Design

**Construction Contractor:** LandCor Construction

**GLA:** 31,749 sf (20,488 main level and 11,261 second level office)

**# of Stores:** Approximately 10-12 small shop retail locations, and 1-4 second level office locations.

**Tenants:** Quiznos, Fantastic Sam's, Turbo Nails, Chiropractor, Sarpino's Pizzeria.

**Market Area Served:** Otsego, Elk River, Rogers, St. Michael and Albertville

**Construction Style:** Small town urban theme with brick, EIFS and glass.

**Additional Facts/Narrative:** The MarketPlace West Retail/Office center is located in the new Otsego Waterfront development located on the NW quadrant of the Intersection at Highway 101 and County Road 39. Retail opportunities are available from 700 to 11,000 square feet. Space will be available for occupancy April/May of 2003 with a grand opening scheduled for July of 2003. The MarketPlace West will be located right along the busy Highway 101 and directly across from the BlackWoods Grill and Bar and a proposed 125 room Hotel with a 20,000 square foot indoor waterpark.

the kind of service that many of us wish for today. These Main Street shops were typically quaint, charming and handy for the consumer.

During this time parking downtown was a non-issue, since only the very wealthy had automobiles. Where the horses and buggies used to be parked, automobiles in the late 30s, 40s and 50s took their places. When residents required their main staples from the grocery store, they would normally walk or ride their bikes to the neighborhood grocery market, like the Piggly Wiggly.

As time went on and the roadways were becoming more utilized by automobiles, and Minnesotans were moving further away from the urban cities, the commercial developers began to develop strip centers that would house many of the similar retailers that were in the downtown CBD's. These strip centers, had exposed storefronts, accessible off-street parking and were positioned along main thoroughfares. One of the first famous strip centers that were built during this time in the 1950s was Miracle Mile in St. Louis Park.

Additionally, in the mid-1950s Commercial Real Estate Developers found that in Minnesota it made sense to offer the consumer a place to do all their shopping out of the elements and in a controlled environment that offered a large variety of shops and places to eat.

Thus, in 1956 the introduction of Southdale Shopping Center, developed by the Dayton Brothers, came on the scene with numerous national retail shops on two levels, a beautiful atrium and parking garages *all under one roof!* It was the first enclosed mall of its kind ever to enter the United States. In its earliest days, Dayton's and Donaldson's both anchored the center. This was the first time in Minnesota history the consumer saw two major department stores in the same shopping center. Southdale Center also attracted Red Owl Grocery, 1st National Bank and even Walgreens Pharmacy. At first, the retailers located in the CBD's were uncertain

# Retail Tournament of Champions

by Kathy Anderson, KKE Architects

The energy level was high and the turnout was great for the 2002 Retail Tournament of Champions held on the afternoon of November 6. **Jerry Ciardelli** of Erdahl Aerial Photos moderated the lively interactive event formatted in "Jeopardy" style. Each table had the opportunity to cast their answers to the multiple questions pertaining to data found in the report. This year, MSCA entered into a joint venture with the Minnesota Commercial Association of Realtors (MnCAR) in order to gather results that are more up-to-date, accurate and accessible.

**Paul Sevenich, Larry Martin, Betty Ewens and Eric Bjelland** interjected various survey results and overviews throughout the program. **Rich Forschler** gave a recap and analysis of legislative issues and a hint at what to expect due to the change in the political climate after the elections. In summary, survey respondents identified retreating of vacant big boxes as the number one opportunity. Real Estate taxes continue to be the number one challenge again this year. Lease rental rates and renewal rates have increased

over the last year. Vacancy rates remained basically the same. Lack of investment alternatives for capital, uncertainty of financial reporting in public companies, historically low interest rates, and higher vacancy in other real estate asset classes combined to drive down the pretax unleveraged yields on some investments. Trends in the industry include Lifestyle Centers and mixed-use developments that include housing with retail. The availability of good land continues to plague the market. The terrorist attacks of September 11, 2001 caused the insurance industry to absorb approximately \$50 billion in claims.

The presentation was a creative way to communicate a wealth of data. The program wrapped up with a tallying of scores and the winning table received a lovely assortment of embossed MSCA chocolate coins. The social hour following the program was a perfect way to mingle and share thoughts about the report. The actual *2002 Retail Real Estate Report* was mailed to all who attended. Additional copies are available for sale at the MSCA office. ■

of the impact that Southdale would have. Over time those CBD retailers would work very hard to maintain their own identity, and eventually found they were able to coexist.

In 1963 Harold and Marie Slawik opened another first of its kind with HarMar Mall in the city of Roseville. This enclosed mall, although on one level, touted two major grocery chains, Hove's and Del Farms Grocery. Through the years this mall would attract many national retail chains and some wonderful locally owned companies.

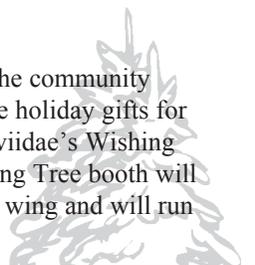
Soon thereafter, other enclosed malls began popping up around the Twin Cities such as Northtown Mall, Southtown Center, Crystal Shopping Center and Apache Plaza.

In 1974, just one day apart from each other, Maplewood Mall and Ridgedale Mall in Minnetonka opened. These two regional malls would anchor Dayton's Department store, offer similar retail shops and have a similar appearance to Southdale Center. During the 70s, Twin Cities residents had more places to shop than ever before and yet commercial development did not appear to be slowing down.

Through the 70s and 80s the malls had become the place to spend hours shopping. Often times, shopping had taken on a form of entertainment and became a social event. However, as more and more women began working outside of their homes, shopping became more of a necessity and less of a

## 2002 Wishing Tree

Once again, Gaviidae Common reaffirms its commitment to the community through its annual Wishing Tree program, designed to provide holiday gifts for local children in need. Over the course of the partnership, Gaviidae's Wishing Tree has provided nearly 30,000 gifts for children. The Wishing Tree booth will be located on Skyway Level in Gaviidae's Saks Fifth Avenue wing and will run November 29 through December 17.



# MSCA's Research Committee



BJELLAND



CIARDELLI



EWENS



LARRY MARTIN



TOM MARTIN



PITCHFORD



ROME



SEVENICH



VINJE



ZELM

Special thanks to the Research Committee whose efforts made this year's Retail report and presentation possible.

*Pictured:* **Eric Bjelland**, United Properties; **Jerry Ciardelli**, Erdahl Aerial Photography; **Betty Ewens**, Kraus-Anderson Companies; **Larry Martin**, Larkin, Hoffman, Daly & Lindgren, Ltd. (co-chair); **Tom Martin**, Cambridge Commercial Realty; **Tricia Pitchford**, United Properties; **Holly Rome**, Jones Lang LaSalle; **Paul Sevenich**, Kraus-Anderson Companies (co-chair); **Ken Vinje**, Kraus-Anderson Companies; and **Linda Zelm**, Griffin Companies

*Not pictured:* **Jan Goossens**, Kraus-Anderson Companies and **Jeff Johnson**, Integra Realty Resources

## SNOWMOBILE FOR CARING TREE

After several years of discussion, the First Annual "Snowmobile For Caring Tree" event will become a reality in 2003. **First time snowmobilers are encouraged!**

### THE PLAN:

Meet at a great north woods cabin or resort February 7-9, 2003. You are welcome to arrive Friday night or Saturday morning, depending on your schedule.

Depart Saturday morning on snowmobiles (rentals available through local businesses) for a beautiful trip through the northland, with various refreshment and food stops throughout the day. Return to lodging by early evening for a night of fun, food, spirits and good company.

### THE BENEFIT:

Money would be raised through a participation donation, which would cover lodging for Saturday night, the Saturday evening barbeque and a donation to the Caring Tree Foundation.

### THE PARTICIPANTS:

All adult members of MSCA and the Caring Tree Board along with their spouses or guest. To secure lodging, we need an approximate count of interested participants. Please call the MSCA/Caring Tree Foundation office at (952) 888-3491 if you are interested in this fun winter benefit.

## INDUSTRY TIDBITS

- **Diageo PLC**, the world's largest liquor company and the parent company to **Burger King Restaurants**, announced that it is trying to salvage the sale of Burger King to a group of private investment companies. The buyer consortium is composed of **Texas Pacific Group**, **Bain Capital** and **Goldman Sachs Capital Partners** and are seeking more attractive terms. The buyers had agreed to a purchase price of \$2.26 billion in July. Both sides state that they are committed to concluding the transaction.
- **J.C. Penney** announced in that they are closing their 43 year old store in **Sun Ray Shopping Center** on January 25, 2003. The

40,000 sf store closure will then leave 22 Penney stores operating in Minnesota.

- **Target** reported a 49.3% increase in 3rd quarter earnings, but same store sales were not as strong as planned.
- Have you received e-mail discounts for in-store sales from some of the world's best-known retailers such as **Brooks Brothers**, **Banana Republic**, **The Gap** and **J. Crew**? They send e-mail discounts to customers who subscribe to their newsletters. Other retailers like **Marshall Fields**, **Children Palace** and **Ann Taylor Loft** have been giving valuable discounts to customers who make sizable one-time purchases then giving them a discount card usable on their next purchases.

## 2003 MSCA Upcoming Events

- MSCA programs will be held at 8 a.m. (registration at 7:30 a.m.) at the Radisson South Hotel unless otherwise publicized before the program. Pre-registration ends at noon the day prior. Any registrations received after that will be considered a walk-in registration. Program topics are subject to change.
- January 8 – ULI/MSCA Joint Program
  - February 5 – Stock Analyst Panel
  - March 25 – Legislative/Business Day at the Capitol
  - April 2 – Retail Focus
  - May 7 – Headline Speaker
  - June 4 – Industry Trends
  - June 16 – Annual Golf Tournament
  - July 9 – Personal Development
  - August 6 – Development
  - September 10 – Retailer Panel
  - October 1 – Mall Program
  - November 5 – Retail Report
  - December 9 – STARR Awards



# Industry Tidbits

by **Tim Hilger**, Diversified Acquisitions, Inc.



If you have additional tidbits, please forward them to **Tim Hilger**, newsletter co-chair, at [thilger@ix.netcom.com](mailto:thilger@ix.netcom.com)

- The **Cosi, Inc.**, restaurant chain went public November 21st. The New York based company with 79 restaurants was started in 1998. The restaurant is unusual in that its menu and atmosphere evolve through the day. In the morning, it's a coffee bar; at lunchtime, working stiffs drop in for made-to-order sandwiches and pizzas in the casual atmosphere; after 5 p.m., it offers cocktails and table service. As of today, there are no Cosi restaurants in the Twin Cities.

- According to a survey reported by CBS *MarketWatch* about half of Americans say they are considering giving or would like to receive home improvement gifts.

- **Tommy Hilfiger Corp.** announced that due to declining sales and the corresponding decrease in earnings they will close 37 of their 44 U.S. specialty stores following the Christmas Holidays.

- **Kmart** is expected to announce the closing of 7 more stores in the Twin Cities which constitute half of its remaining 14 Metro area stores. An additional 5 stores of 22 in outstate Minnesota are expected to close after the holidays. The 12 total stores are located in: Anoka, Burnsville, Maple Grove, Hew Hope, Shakopee, St. Paul, Duluth, Dundas, Fergus Falls, Marshall, and Waite Park (St. Cloud).

- Have you checked out **Patrick's French Bakery** in Edina? Patrick and Azita Bernet recently opened the bakery on 66th street in Southdale Square. Prior to opening their business they were the pastry chefs for the Hotel Sofitel in Bloomington. You can enjoy a cup of onion soup, a sandwich, a pastry, hand-dipped truffles or tart, and dessert or bread to go.

- Retail sales in October were stronger than expected, particularly after weaker than expected September sales. Sales are strong at: **J.C. Penney's, Kohl's, Gap, Ann Taylor, Talbots, Federated Department Stores, Target, and Wal-Mart** were among those with good sales. Retailers with weak sales were **Christopher & Banks, Wilsons the Leather Experts, and Sears.**

- **Prada** stores in New York, Los Angeles and Tokyo are using a new Smart Data tag and related technologies to help customers select merchandise in the dressing room while simultaneously helping the retailer learn more about their customers' wants. The tags feed information to the stores computer,

searches inventory for complementary clothing and accessories and prompts the sales staff to bring additional merchandise for the customer to try. Selections from the store's inventory can be projected on a plasma screen in the dressing room. The database also tracks prior purchases to assist the customer to augment their wardrobe while they are in the store. Some privacy experts are expressing concerns about how the data will be used and the possible invasion of privacy. Also, voice activated "walkie-talkies," phones and pagers are in the early field testing to help store staff assist customers.

- According to the ICSC, internet purchasers for the 2002 holiday season in the United States are set to rise against the holiday period last year. Online shoppers are expected to spend \$19.6 billion on their holiday purchases, a 27 percent increase.

- According to an article by CBS *MarketWatch* the traditional American regional mall is losing its prominence at the mecca for retail shopping. The change in shoppers' taste for alternative retail formats has been a primary cause. Lifestyle centers, power centers, open air retailing formats in every shape and size are attracting the big name retailers and the customers are following.

- **Movielink**, an online, on demand, digital movie rental service backed by 5 major movie studios, announced an initial roll out of its movie rental program. Current movies can be rented directly online via a computer download for \$4.95, older movies for \$3.99. Criticisms include the time to download, which can take 90 minutes for a 500MB film file, and a limited movie selection.

- **Dairy Queen** announced that they are going to open 10 of their new **Grill and Chill** restaurants in the Twin Cities by the end of 2003.

- **Christopher & Banks** announced an aggressive expansion plan to double their U.S. store count within the next four years. This expansion will bring their present 408-store count to approximately 800 stores by 2006. Expansion will be primarily focused in the southeast and southwest U.S.

- The **Pickled Parrot**, once located in downtown Minneapolis' Warehouse District at the corner of First Avenue and 5th Street, "flew the coop" and opened a new restaurant in **Fischer Market Place**. Its old location is under reconstruction and will be occupied by

a Clive, Iowa based establishment called **Drink, Inc.**, which pretty much tells you what it is about – nightclubbing and drinking. There has been a slow but steady transition in the Warehouse District from its traditional restaurant atmosphere to more bars and nightclubs. Drink, Inc. hopes to draw the downtown or visiting suburban young working professionals looking for an engaging, upbeat atmosphere. Word has it that the City of Minneapolis has some concerns over the club's "Drink" name.

- Wal-Mart will build as many as 335 U.S. stores and more than 100 stores overseas next year, gaining a total of 48 million square feet of retail space.

- **Albertson's Supermarkets**, the US's #2 grocery store operator with 2,421 stores, warned that it will miss its 3rd quarter projections caused by a 2% sales decline. Due to the downslide of the economy, the customer is more spending carefully, stocking up at the beginning of the month to stretch their grocery budgets, buying lower margin items and shopping with coupons, all of which have contributed to the sales decline. Albertson's did not match its major competitors, **Kroger** and **Safeway**, in offering coupons and discounts. The business shifted to their competitors and now Albertson's is now matching their competition. Additional competition from **Target, Wal-Mart Supercenters, Sam's, Costco, BJ's Wholesale Club** and even **Family Dollar** were identified as meaningful challengers to Albertson's return to profitability. Other grocery chains struggling to find profitability included **Safeway** and **Great Atlantic and Tea Co., Inc.**

- October Sales, including same store sales were strong for all the major drug store retailers. The nation's largest, **Walgreens**, reported same store sales up 8.2% with total sales up 13.4%. The #2 drug store chain, **CVS**, reported same store sales up 7% and profits increase of 33% due to reduction in theft loss, improved marketing and profit increases in the sale of generic drugs. The #3 drug store chain, **Rite Aid**, reported same store sale gains of 9.4% and total sales increased 3.7%. Prescription sales accounted for 65% of total sales at Rite Aid.

- **Tiffany**, the famous high-end jewelry retailer, reported strong earnings increase including sales at their newly created specialty retailer **Little Switzerland**.

*Tidbits continued on page 3*

# IHOP Corporation

by Lisa Diehl, McDonald's Corporation

The International House of Pancakes (IHOP) restaurant chain opened its first restaurant in the Twin Cities in Apple Valley in November, bringing the total to more than 1,064 locations in 44 states and Canada. The company's entry into the Twin Cities will consist of company-owned restaurants. Six other deals are close to being inked or are under construction, which include Coon Rapids, Bloomington near the Mall of America, Brooklyn Center, Maplewood and Waite Park.

The first IHOP opened in 1958 in Toluca Lake, California and was founded by Al Lapin. More than 90% of IHOP restaurants are operated by franchisees. As soon as the restaurants in the Twin Cities are running well, the company will sell them to one or more franchisees. The company is based out of Glendale, California. The company publicly trades on the New York Stock Exchange under the symbol "IHP".

IHOP restaurants feature moderate prices, high-quality food and beverage items, and table service in an attractive and comfortable atmosphere. Although IHOP restaurants are best known for their award-winning pancakes, omelets and other breakfast specialties, IHOP restaurants are open throughout the day and evening hours and offer a broad array of lunch, dinner and snack items as well. They are open throughout the day and evening hours, and some operate 24 hours a day.

The standard freestanding IHOP buildings contain approximately 4,500 to 5,000 sf and seat approximately 130 to 176 people. Pad sites are approximately 40,000-50,000 sf without a drive-thru and 50-80 parking spaces. The sites are typically located near shopping centers with strong retail or near hospitals and office buildings. They also like orientation to highways. The typical acquisition vehicle is to purchase or lease property. They will also consider conversions or demolishing existing buildings.

Todd Johnson with Colliers Towle is the broker to contact if you have a prospective location. Turley Martin Tucker is helping the restaurant seek locations.

For more information, visit [www.IHOP.com](http://www.IHOP.com)

## Martha Anderson



**Primary Career Focus:** Commercial Real Estate Broker/Property Manager

**Company:** Martha O. Anderson Properties, Inc. dba Anderson Property Management

**Title:** President

**Hometown:** Detroit Lakes, Minnesota

**Education:** B.S. University of Minnesota

**Family:** Husband Jeffrey and children Ellen and Jane

**Hobbies:** Classical music, watching daughters play tennis and needlepoint

**Job History:** 14 years Management in the

insurance and HMO, 15 years Commercial Real Estate Services with emphasis in property management of small commercial retail and office buildings.

**Very First Job:** Clerk in small town gift shop

**Dream Job:** Symphony musician

**Secret Talent:** Oboist

**Favorite Food:** Anything homemade

**MSCA Involvement:** Member since 1999.

### NEW AGAIN *continued from page 2*

leisurely activity. During the late 80s and 90's the enclosed malls, with the exception of the regional malls, were becoming dinosaurs and most Minnesotans wanted to get their shopping done in a timely fashion, with less travel time and easy parking. Consumers wanted to enter their stores of choice quickly without having to go inside a huge mall. Thus the neighborhood strip centers became ever more popular and were frequented regularly. Developers during this time began to "de-mall" their malls and redevelop them into strip centers; thereby attracting this latest convenience-oriented shopper. Regional malls had to become increasingly more creative to entice the shopper to visit their malls.

The advent of the Mall of America emerged in 1991 and caused a stir. Many of the retailers located in the regional malls and strip centers were concerned how this major mall was going to impact their businesses! Sound familiar? As the 90's pressed on, retailers outside the Mall of America survived and experienced their own successes.

With all the hundreds of shopping centers that have been developed over the past 50 years, developers are finding that residents of Minnesota are again attracted to the image that was once created along that infamous "Main Street". These buildings, now known as mixed-use developments, are being redeveloped in some very old downtown's, like Edina, Hopkins, Lakeville and Shakopee. And it seems that almost every city developer is clamoring to find commercial developers that will build a mixed-use development to create a downtown image even in a new city! This is happening in Burnsville currently and has occurred in Maple Grove with the Arbor Lakes Development. It appears that commercial developers are creating that image that was once popular a time long ago; where storefronts align Main Street, and shop owners know the names of their customers, where customer service is quality and shops are again charming. It seems that the old has become new again in retail commercial real estate. ■

### 2002 Retail Real Estate Report For Sale

Purchase your copy of the latest MSCA Retail Report by calling the MSCA office at (952) 888-3491.

The report includes valuable information on vacancy rates, rental rates, new opportunities and challenges, trends, investment market and detailed information of over 300 properties.

Member rate \$50  
Non-member rate \$100

*A very Special thanks to Marty Rud of Lund's Holding Group for providing most of the historical facts outlined in this article.*

# Get to Know Your Legislators



**A**s a result of reapportionment following the 2000 census, all 201 legislative seats and the Governor's chair were on the ballot in 2002. The Minnesota election drew national attention and interest. Minnesota voters elected Republican Tim Pawlenty as the new Governor and sent 64 new legislators to St. Paul for the 2003 legislative session. Republicans expanded their control of the Minnesota House of Representatives while DFLers saw their control of the Minnesota Senate shrink.

The unusual number of new faces in St. Paul provides a unique opportunity for MSCA members to get to know their legislators and educate them regarding issues important to the industry. The MSCA Legislative Committee will be providing several opportunities for members to meet with legislators and share their concerns. The Annual Business Day at the Capitol will be held on March 25, 2003 and members will be notified of other events and activities as they are scheduled.

The Legislative Committee has developed its agenda to focus on three important issues certain to be debated at the Legislature,

including property taxes, transportation funding and expansion of the sales tax to clothing. Future issues of the MSCA newsletter will provide greater depth and detail about each of these issues.

We'd like to urge all members to make a commitment to meet their legislators during the upcoming year to discuss issues important to the shopping center industry. These new legislators are anxious to hear and learn from their constituents. Most new legislators have very little knowledge of the shopping center industry or the important public policy issues confronting the industry. MSCA will provide you with talking points and materials for your meetings. In addition, your MSCA lobbyist's, Rich Forschler and Sonnie Elliott are available to attend meetings with you and your legislator.

We know that MSCA members sometimes find the legislative process intimidating. The Legislative Committee, MSCA staff and your lobbyists are always available to assist you and your grassroots lobbying activities. Feel free to contact any of us.

## Twin Cities holiday shoppers to spend the same or a little less this year

**T**he load in Santa's sleigh will be about the same, when he visits the Twin Cities this holiday season, according to the results of a recent study conducted by two longtime members of the St. Thomas faculty, Dr. Lorman Lundsten and Dr. Dave Brennan, at the University of St. Thomas Institute for Retailing Excellence.

The survey, the first of its kind conducted in the Twin Cities region, found that while 60 percent of the area's holiday shoppers plan to spend about the same as last year, 33 percent plan to spend a little less or much less. That compares to 7 percent who plan to spend a little more or much more. The survey found that holiday spending will total \$792 per household, or a predicted \$924 million in the 13-county Minneapolis-St. Paul metro area.

Respondents said they planned to spend more this year in only two categories: gift certificates and books. They planned to spend about the same on clothing and entertainment, and somewhat less on toys and hobby items, video games, consumer electronics, computers, sporting goods, jewelry and furniture.

### Why the cutbacks?

"The economy" or "decreased income" were among the reasons cited most often by those who said they were cutting back on holiday spending this year, as well as reasons connected to growing older, including "retiring," "fewer relatives," "a change in family needs" and "getting older."

If national and local predictions hold true, this could be the third down year for holiday retailing. Consumer confidence has taken a downturn, there are fewer holiday shopping days this season because of the late Thanksgiving and consumers are growing accustomed to holiday sales and incentives. "Store owners will need to carefully monitor shopping levels, and if necessary move quickly to offer discounts," Brennan said. "For shoppers," Lundsten added, "this could be another year for deals and discounts."

### Where we shop

According to the survey, the big, regional malls are the most likely destination for

*Shoppers continued on page 7*

### MSCA's Legislative Committee

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Stephanie Salo	MSCA, Assistant Executive Director	952-888-3491
Howard Paster	MSCA Legislative Committee Co-Chair	651-265-7865

## WELCOME NEW MEMBERS

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# What's Happening

## Hartwell Named Marketing Director

**K**raus-Anderson (KA) Construction Company, St. Paul Division has named Tom Hartwell as Director of Marketing. He will serve all of KA's market segments. A graduate of the University of Minnesota, Hartwell has been in sales and marketing for the past 18 years, 12 of them in the construction industry.

## Empirehouse, Inc. on the Move

Empirehouse, Inc., a women-owned glazing specialty contractor, has moved to a new location. After 33 years at their north Minneapolis address, they have moved into their newly renovated 52,000 sf fabrication and office facility at 4401 Quebec Avenue No., New Hope, Minnesota. For more information, call Alana Sunness Griffith, Vice President of Marketing, at 763-535-1150.

## HOM Opens 2 New Showrooms

Minnetonka based Benson-Orth Associates, Inc. (BOA) has completed 2 new HOM Furniture Showrooms in Lakeville and Plymouth, and both are now open for business after celebrating their Grand Openings. HOM Furniture has chosen BOA to build their newest showroom in Hermantown, just outside of Duluth, and is due to be completed in January of 2003. The Hermantown facility will be over 100,000 sf including showroom and warehouse space. Benson-Orth also

completed a remodeling of HOM Furniture's corporate headquarters in Coon Rapids.

## Econofoods to Remodel

Nash Finch Corporation's Econofoods has chosen Benson-Orth Associates, Inc. to remodel their facility in Farmington, MN. This project will occur in two phases, with the first phase underway and the second phase beginning in January 2003.

## Shingobee Completes Projects

Shingobee Builders, Inc. recently completed construction of the first Steaming Bean Coffee Shop, in Balsam Lake, Wisconsin. A franchise of Steaming Bean Coffee Company, headed by Joseph N. Stamboulieh, the Coffee Shop held its grand opening December 6-8. The Coffee Shop franchisee in Balsam Lake is Ami Stowell, and this is her first venture as a business owner.

Shingobee Builders is working with Steaming Bean Coffee Company and Stamboulieh on a design/build basis with RSP Architects, to identify and evaluate locations for additional franchised coffee shops. The company expects to construct two additional shops in the Twin Cities metro area in the coming months.

Shingobee Builders also recently completed construction of the Krispy Kreme Doughnut Shop in Coon Rapids. The grand opening of

The Institute for Retailing Excellence of the University of St. Thomas is offering a **Mini Master of Retail Excellence** at their Minneapolis Campus February 19 through May 14, 2003 on Wednesday evenings from 6 to 9 p.m. This 13-week certificate program will help you gain a comprehensive understanding of contemporary retailing and will give you action-oriented skills and knowledge that will immediately enhance your capacity to positively influence your organization. You will learn about consumer behavior, marketing and financial strategies, developing and implementing merchandise plans, successful store location planning, improving operational results and much more. For more information, call (651) 962-4600 or visit [www.stthomas.edu/mgmtctr](http://www.stthomas.edu/mgmtctr) (keyword: retail).

the shop was in November. This is the third Krispy Kreme built by Shingobee.

Other retail projects nearing completion by Shingobee Builders are the Gateway retail center in Cottage Grove, and Albertville Crossings/Coborn's Grocery in Albertville.

## KKE Architects, Inc. News

D'Amico and Partners opened Café and Bar Lurcat, a newly restored 9,000 sf historic property located on Loring Park. **KKE Architects, Inc.** worked with Owner and Designer Richard D'Amico to create "an attractive urban hangout that is modern, cool, and loungey." The space includes a bar, 140-seat restaurant, seasonal outdoor dining patio, and private dining room.

## Block e General Manager

McCaffery Interests Inc. announces Sue (Wolf) Bonin as General Manager of the new Block e entertainment complex in downtown Minneapolis. Prior to joining McCaffery Interests, Bonin's extensive career in commercial real estate has included top management positions at major shopping centers in the Twin Cities metropolitan area.

## BDH & Young News

BDH & Young Space Design announced that the firm has added Sara Nelson as Project Designer. Nelson graduated with distinction in 1999 from Iowa State University with a B.A. degree in Fine Arts and Interior Design. She was previously employed by Hay Dobbs P.A.

A 1997 graduate of the University of Minnesota, Stephanie Reem has also joined the firm as Project Designer. Previously, Stephanie worked for Smart Associates. ■

## SHOPPERS *continued from page 2*

Santa's helpers. Shoppers planned to spend 51 percent of their holiday budget at the big malls, compared to 32 percent at other shopping centers or non-mall stores. They planned to spend another 9 percent via catalogs, television or the phone, and 7 percent using the Internet.

By comparing the malls of choice and where the respondents live, the researchers found that shoppers clearly favored malls closest to home. In addition to geographic convenience, the shoppers also cite the assortment of stores and parking availability as reasons to select one mall over another.

The top six malls as holiday shopping destinations, according to the survey, were the Mall of America followed by Rosedale, Southdale, Ridgedale, Maplewood and Burnsville. The top six malls, based on where respondents planned to shop at the most, were Rosedale, followed by Ridgedale, Southdale, Burnsville, Maplewood and Mall

of America. The downtowns of Minneapolis and St. Paul did not fare well as holiday shopping destinations.

## About the survey

The results of the study were based on a survey mailed in late October to 3,000 Twin Cities-area households in 13 counties, including two counties in western Wisconsin. The 3,000 names were selected to match the demographic characteristics of Twin Cities residents, including age, income, education, religion and location. The researchers received 366 completed and usable surveys. The demographic characteristics of those who returned the surveys matched the characteristics of the original 3,000, and in turn, the characteristics of a cross section of Twin Cities residents.

*A complete copy of this study, including graphs, can be found at:*  
[http://www.stthomas.edu/bulletin/news/200248/Monday/HolidaySpending11\\_25\\_02.cfm](http://www.stthomas.edu/bulletin/news/200248/Monday/HolidaySpending11_25_02.cfm) ■

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**Port Shutdown**

**H**oliday shoppers shouldn't have a problem finding their

President Bush intervened in the West Coast port lockout. Evoking the Taft-Hartley Act, President Bush forced

the docks to reopen and called the workers back to their jobs for 80 days.

It has been estimated that the lockout at the 29 ports, from San Diego to Seattle, could cost the U.S. economy

in excess of \$10 billion. Ports re-opened October 9th and the National Retail Federation estimate it will take

four to six weeks to move all the shipments. Some experts feel that any product shortage that may occur in the

overall marketplace will be a blessing for retailers. It would be nice to see less supply overall to balance the

demand and keep prices up for the retailers. This is one holiday season that could use less discounting.

*Giftware Business and Gourmet News*

**PRE-NEW YEAR'S EVE RESOLUTION . . .**

**Remember to renew your  
 MSCA Membership for 2003.**