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Feature Article

## THE *FUTURE* OF RETAIL

by **Natina James**,  
 RSP Architects, Ltd.



What is the future of retail? All of us in the retail business are willing or unwilling participants in its evolution. We are concerned that the number of retail shops, markets, and malls will be greatly reduced by the conveniences brought by technology – online shopping, no tax, free shipping and flying delivery machines similar to the fanciful life-giving deliveries in the Hunger Games. Will shopping be reduced to point, click and ship? I don't think so. Why? Retailers have always responded and adapted well to the market or been eliminated. They will reinvent themselves to stay fresh and attract customers. Retailers must utilize all modes of communication to attract and maintain customers. Shopping goes beyond just buying, it fulfills the need for social interaction and product experience, and provides an environment that supports the brand.

Retail locations provide social interaction, knowledge, and experience. Paco Underhill, author of *Why We Buy*, said, "The purest example of human shopping I know of can be seen by watching a child go through life touching absolutely everything. You're watching that child shop for information, for understanding, for knowledge, for experience, for sensation. Especially for sensation, otherwise why would he have to touch or smell or taste or hear anything twice? Keep looking: Watch

a dog. Watch a bird. Watch a bug. You might say the ant is searching for suitable food. I say he is shopping." Online shopping cannot meet this basic need.

Stores will exist, but what will they be like? They are getting smaller. With the improvement of distribution and inventory tracking, stores can reduce their size. Amazon and Wal-Mart have invested hundreds of millions of dollars for distribution centers. New technology allows them to offer more products, house more items, and ship more quickly. Wal-Mart CEO Joel Anderson said "Walmart.com has been able to speed up delivery 15 percent over the last two years while reducing costs by 10 percent."<sup>1</sup> They also reduce expenses as cash-wraps (checkout counters) and cashiers become unnecessary. Apple has transitioned to this

*continued on next page >*



Snapshot

## BOONE AVENUE CONVENIENCE AND RETAIL CENTER



**Location:** Hwy 55 & Boone Avenue, Golden Valley, MN  
**Month/Year Opened:** June 2014  
**Owner and Center Manager:** The Linn Companies  
**Real Estate Representative:** Peter Armbrust, Cushman & Wakefield/NorthMarq  
**Architect:** Architectural Consortium LLC  
**Engineers:** Sambatek, Inc. **Construction Contractor:** Shingobee  
**GLA:** 5,377 SF Gas/Convenience, 4,920 SF Retail  
**Market Area Served:** Golden Valley  
**Link to Company Website:** [www.sambatek.com](http://www.sambatek.com)

**Additional Facts:** Though functional since 2003, the Boone Avenue BP gas station site at the northeast corner of Highway 55 and Boone Avenue lacked architectural interest and amenities that attract today's retail customers. With a vision to revitalize the site, Linn Companies purchased the property in 2012 and solicited the design expertise of Sambatek and Architectural Consortium. A creative site plan was developed that accounted for a pond easement, flood plan, and sewer easement along the east side of the site, as well as organic soils and required piling support in the areas of new construction. The site was redeveloped into a vibrant, convenient neighborhood retail center with the expansion of the station, addition of a car wash, and the new retail building fully leased upon construction.

as their sales associates carry digital devices that allow check-out in any area of the store. They are also testing an "app" that allows the customer to scan an item with their phone, purchase with their credit card and pick it up at the "delivery" counter. All stock displayed on the floor is transitioning to one item of each product. Imagine walking into a store, scanning a favorite article, check its style and fit on your personalization tab (placing clothing on you – on your phone's screen); then if you like – tag it to be sent to the dressing room. It fits! Now, scan it to make your purchase. As you walk out the dressing room, the associate bags the item and you're on your way.

Technology is often spurred by science fiction. My fondest example is Star Trek's communicator – I compare it to my favorite iPhone. While it can't beam me up – the iPhone and other mobile devices have transformed how we communicate and get information.



Another example where science fiction spurs technology is in *The Minority Report*. Do you remember Tom Cruise's character trying to escape, but while entering a retail environment, he was recognized and addressed by personalized advertisements? Product placement was

used to depict the predicted lack of privacy and excessive publicity in a future society. Jeff Boortz of Concrete Pictures, handled the advertisements in *Minority Report*, and said "the whole idea, from a script point of view, was that the advertisements would recognize you -- not only recognize you, but recognize your state of mind. It's the kind of stuff that's going on now with digital set-top boxes and the internet."<sup>2</sup>

Will customers find this too much like "Big Brother" and an invasion of privacy? Can retailers find a balance, be transparent and provide customers a chance to opt out? The Japanese company NEC is investing in billboards capable of utilizing facial recognition to recognize customers and deliver customer-specific advertisements. Macy's and American Eagle Outfitters currently utilize iBeacon to enhance store experience and drive sales. The Apple iBeacon identifies you when you walk in the store, sends location-specific deals, discounts and rewards to the mobile device – no app is needed.

Technology is not the only option for retailers. Innovation and experience can draw customers who are brand loyal as well as new customers. In Tesla's Toronto location, there are interactive displays and a design studio where customers can configure their "own" Tesla on an 85" touch screen.

How about making it easier for your customer to try on apparel, see more goods or shop at unexpected locations? A British multinational grocery and general-merchandise retailer has been testing new technologies. Imagine a virtual mirror that overlays a digital image on top of a normal mirror so the customer can see how clothing fits. They've also tested endless window shopping. Here you can browse all items and purchase without moving through the store. Tesco is also searching for opportunities to reach customers. How about reaching them during long waits at the subway? Tesco Homeplus Supermarket opened a virtual grocery store in South Korea which utilizes digital technology on screens in front of

subway cars. "Using Tesco's dedicated phone app, a customer can scan the barcode, add it to their basket, and then choose a delivery time of their choosing."<sup>3</sup> After a successful launch in South Korea, they have since expanded into the UK at Gatwick Airport.

Retail has traditionally been all about location, location, location. Because consumers have other purchasing options, only the strongest, most inventive and adaptive centers and malls will survive. Type A properties will likely continue to do well, type B will see retailers reduce size and increase product mix and use, and type C will likely be redeveloped into other uses. Retail will transform into Hub Destination Centers (HDC). In order to work, HDC's will need to have a great mix of stores, schedule events to draw people to the center, include a variety of restaurants, be safe, offer new services such as health care, provide exceptional customer services, and access public transportation.<sup>4</sup>

A local example of a HDC is Mall of America, which is constantly striving to be fresh and new. Phase II plans include 5.6 million square feet of retail, hotel and entertainment. As most doubted the success of MOA, others intend to wildly and ostentatiously push the concept even further. With Dubai's oil reserves set to be exhausted within 20 years, tourism and shopping are its trump cards.<sup>5</sup> Sheikh Mohammed bin Rashid Al Maktoum, the ruler of Dubai, dreamed up a 48 million square foot (almost 5 times the size of MOA) project including 8 million square feet of retail, 7 kilometers of temperature-controlled streets, the largest indoor theme park in the world with a 15,000 seat stadium and 20,000 hotel rooms. Imagine a temperature-controlled city within the desert where you can stay for a week without needing to use a car. It is expected to draw 180 million visitors annually. Doubters believe it's too ostentatious, and the demand will not be consistent. Currently the largest mall is China's 7.1



million square foot Dongguan. "According to a report last year from Emporis, a global building data firm, the mall is virtually empty. It has been classified as a 'dead mall', " the report states. "An employee at CNN claimed the mall only had 20% occupancy."<sup>6</sup> Dubai's unprecedented luxury and extravagance along with massive retail projects are key ingredients in making this city the economic powerhouse of the Islamic World. The Mall of the World plans to open sometime in 2017.

It is August 2034. I roll out of bed, blinds rising automatically and lights gradually growing in intensity. I go downstairs. On the way to work, I swing by my favorite Starbucks to pick up my breakfast already prepared – fresh and hot. My smart device reminds me to avoid the lactose in the milk. I posted my order and the time for pick-up by voice command as I was getting dressed. While riding public transportation, I place my order for groceries for tonight's dinner. During lunch, I test a few clothing items on my apparel viewing. After a quick dinner at home, we're off to a show at the town center – I might pick up that item as it can be made within the hour. The future of retail will reward innovation and creative experience. We will still be drawn to touch-and-feel products, new experiences and social-gatherings. But, we can all agree the shopping experience will change drastically in the next 20 years.

## Member Profiles

### Sean Quinn

H.J. Development



**What is your primary career focus?** Retail leasing on the landlord side

**What is your favorite Disney movie?**

*Wreck-It Ralph*, obviously

**What junk food is your weakness?** Domino's two medium - two topping pizza's for \$5.99 each

**What makes you feel old?** Whenever someone younger than me complains about being old

**What is something you have always wanted to try?** This is my fifth summer of, "I'm for sure going skydiving this year."

**If you could hire out one household chore, what would it be?**

Laundry. Assuming folding and putting away are a package deal

**What is your favorite board game?** Any board game that is played at a cabin

**What is your favorite alcoholic drink?** I have been enjoying G&T's lately

**What was your favorite toy as a kid?** My N64. Lots of hours logged on Mario Kart and Super Smash Bros

**How many rings before you answer the phone?** 2-4

**What is something you said you would never do, but did anyway?** Gallon Milk Challenge...that was dumb

**How long have you been an MSCA member?** 2 years

### Kristi R. Riley

Barna Guzy & Steffen, Ltd.



**What is your primary career focus?**

Commercial real estate law with a niche in retail development and leasing

**What is your favorite Disney movie?** *The Little Mermaid*

**What junk food is your weakness?** French fries

**What makes you feel old?** Going to a bar or club where all the "young ones" are arriving to drink and dance, just as I am leaving to go home to bed

**What is something you have always wanted to try?** Living in Europe for a few years

**If you could hire out one household chore, what would it be?** I want a chef to do all of the cooking (and cleanup)

**What is your favorite board game?** Chutes and Ladders (it's the kid in me)

**What is your favorite alcoholic drink?** Dry wine, white or red, it doesn't matter

**What was your favorite toy as a kid?** My bike

**How many rings before you answer the phone?** It depends on how quickly I can find it!

**What is something you said you would never do, but did anyway?** Become a lawyer

**How long have you been an MSCA member?** 11 years

# Girls Night Out



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MAGAZINE

# LOOKING TO GET A PIZZA D'PIE?

by **Philip Foster**, CMA



**P**izza concepts and stores are opening across the metro, as well as nationally, and show no sign of slowing down. Over the past couple of years, new and creative "pie" stores are finding ways to attract customers

of all ages, with each one trying to find that gimmick that catches the attention of the public.

And it goes without saying, a good tasting piece of "Za" will seal the deal. While the chain stores are struggling to keep some locations open, the Ma & Pa stores swoop in and develop a loyal following.



**Hello Pizza** opened in early 2013 and was recently named by City Pages as the Best Pizza in Minneapolis 2014. Ann Kim, owner of **Pizzeria Lola** in Minneapolis, opened Hello Pizza in Edina and is inspired by the classic New York slice pizza. The pies are baked in a deck oven and can be purchased by the slice or a whole pie. The family-friendly and casual concept sets the backdrop for the handmade and consistent tasting pizza that keeps them coming back for more. A recent conversation with Ann alluded to a possibility of another location to open in the future.

**Punch Neapolitan Pizza** has nine locations scattered through the Twin Cities area, with their latest one opening in Woodbury. Owner John Soranno grew up in Italy and brought the authentic wood-burning oven concept to his first store that opened in 1996. He has since partnered with John Puckett, co-founder of Caribou Coffee, who also shares the same desire for good quality pizza. They continue to have success receiving local and national accolades due to their great pizza and business model. Of recent press, President Obama praised Punch Pizza for their decision to raise the minimum wage to \$10/hour for all their stores.

Other hidden gems are **Black Sheep Pizza** which features coal-fired pizza in the North Loop District in Minneapolis.

**Uptown's Galactic Pizza** derives its theme based on superheroes and will deliver your pizza in full superhero costumes while being timely in their eco-friendly electric cars.

**Mesa Pizza** in Dinkytown and Uptown where you can get unique combinations of \$3 slices of pizza early into the AM.

**Di Noko's Pizza** in downtown Minneapolis features Chicago-style deep dish pizza.

**Pizza Luce, Dulono's Pizza, Toppers Pizza, Leaning Tower of Pizza, Andrea Pizza, Ginelli's Pizza, Sammy's Pizza** and the list goes on and on. The Twin Cities is definitely not short of variety of different types and styles of pizza to choose from on any day of the week. Look for a new store on a corner near you soon.



MSCA has a Facebook page. Please "Like" us, and share facts and events with your friends and colleagues.

<https://www.facebook.com/mscaonline>

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The new **Pumpz & Company** store is now open at Galleria near Crate & Barrel, in the former Three Rooms corner space. A grand opening event will be held on September 20.

**Hy-Vee**, the Iowa grocer that's pushing into the Twin Cities market, has disclosed plans for its third metro-area

store, in a Lakeville housing and community development. The chain intends to open a 90,000-sf store at at County Road 46 & Pilot Knob Road by next summer. Depending on how construction shakes out, that could mean it might open before the already announced Hy-Vee stores in New Hope (which is expected to open in September 2015) and Oakdale (where an opening date hasn't been announced).

**New Bohemia Wurst and Bier Haus** is staking a claim on the Twin Cities suburbs with its second location. The fast casual sausage-and-beer restaurant, which brands itself as a reinvention of the German beer hall, is going to build a location in Golden Valley at 8040 Olson Memorial Highway in the Golden Valley Shopping Center.

**La-Z-Boy** plans to open its first Twin Cities stores in Edina and Maple Grove. It would be built in The Fountains at Arbor Lakes development and occupy 13,460 sf. La-Z-Boy has also signed a lease at Edina's Centennial Lakes Plaza at 76th Street & France Avenue, where Old Navy closed and freed up 22,000 sf this week. That store is planning a November opening. The furniture company known for its cozy recliners, plans to open at least four in the metro.



A swank sushi joint with a 70's Vegas vibe is slated to open inside the North Loop later this year. **Shag** is the brainchild of Michael McDermott, who also owns Rojo Mexican Grill in the West End and Southdale and Ling & Louie's Asian Bar, the chain with a forthcoming Nicollet Mall location. Shag will be moving into a 3,000-sf space inside 730 Washington Avenue North Unit 140 and will have 114 seats.

The family-owned Greek restaurant, **Santorini** has shuttered in Eden Prairie. The company that owns the restaurant, Santorini Y Not, has filed for Chapter 11 bankruptcy. As a part of the liquidation, the restaurant was to be sold to Margaret Liao.

**Lake Monster** will join Bang Brewing, Urban Growler, and Burning Brothers in what is turning into a bit of a "brewing district" in the former industrial neighborhood along Saint Paul's central corridor near its intersection with Highway 280. They are partnering with First & First on the project to create a home for Lake Monster in St. Paul. They will be the first tenant at the new site, known as the Vandalia Tower complex. The building is the former home of the King Koil mattress factory, and sits on 5.5 acres at 550 Vandalia Street just north of

Interstate 94 and south of University Avenue where the new Central corridor light rail connects Minneapolis and St. Paul.

The newest convenience store in Minneapolis' downtown skyway has more in common with Seward Co-op than 7-Eleven. The store, called **Simpls**, opened in the Six Quebec building on Marquette Avenue during the last week of August. The 1,000-sf store carries convenience store staples like breakfast foods, lunch eats, snacks, drinks and sweets, but the products will be organic and, when possible, locally sourced.

A new fitness concept from the East coast is coming to St. Louis Park's Shops at West End in October and entering the Midwest fitness market for the first time, with more locations to come.

Washington D.C.-based

**Solidcore** is a studio that offers 50-minute, total body workouts that burn an average of 600 calories per class. The classes uses a piece of equipment called the Megaformer, which has gained popularity in fitness studios on the east and west coasts. Solidcore will be the only studio in the Twin Cities that uses the equipment.



**Public Kitchen + Bar**, the new lunch and dinner spot open overlooking Mears Park, opened for business. The lifelong realization of a dream for owner Carol March, the split-level layout inside this historic building, designed by Wilkus Architects, will host guests initially for happy hour and dinner before expanding to lunch and brunch service as the business gets rolling.

**CoV** opened on Lake Minnetonka. CoV, from Dean Vlahos, was formerly known as Cru and "pays tribute to the classic Nantucket, Cape Cod, and Long Island hospitality venues." Look for a menu of fare from chef Cory York that's "high quality with a casual energy;" offerings include burgers, fish tacos, and oysters. The space has 210 seats, an outdoor patio, double the bar space (with a marble oyster bar and a liquor bar), and private dining space.

After explosive success at its newly reopened location on Fifth Avenue, **Hans' Bakery** is opening up a second shop in the southwest metro area. The new store is expected to launch in the next couple of months at the old Minnetonka Mud Coffee Shop in Orono's Navarre neighborhood, according to owner Kelly Olson. On peak days, some 600 customers walk through the Anoka bakery's doors.



Four more **TargetExpress** stores are planned for 2015. Target spokeswoman Erika Winkels said, "One will be in St. Paul's Highland Park and three are planned for San Francisco," but she didn't identify exact sites for the stores.

continued on next page >

The final batch of stores at **Twin Cities Premium Outlets in Eagan** were announced as the 409,000-sf outlet mall prepared for its August opening. Some of the new stores haven't appeared in Minnesota outlet malls before, including Armani, Vera Bradley, Filson leather goods for men, Steve Madden and Francesca's Collections. Other newly-announced stores include Haggard, Hanes, Stride Rite Kids, Sperry, Le Creuset, The Loft, Nine West, Ann Taylor, Corelle & More, Dressbarn, Ann Taylor and G.H. Bass & Co.

**Café Zentral** opened in the skyway level of the Soo Line Building on July 14. The European-style café offers quick, gourmet breakfast and lunch geared toward downtown workers. The menu includes wraps, paninis and house-baked pastries for breakfast and salads, soups, more paninis and crepes for lunch. Self-contained sausage sandwiches, called Munchen Dogs, are also available.

**Noodles & Co.** is staking out new territory in the Twin Cities suburbs. The Broomfield, Colo.-based company opened its first restaurant in Arden Hills and a second location in St. Louis Park. The Arden Hills location opened in August. In the first week of September, Noodles & Co. will open at St. Louis Park's Knollwood Mall, which is undergoing a major renovation. Once the two new restaurants open, the fast-casual pasta chain will have 38 stores in Minnesota.

**Woodbury Village** is getting a \$7 million renovation as the owners want to spruce up the 24-year-old shopping center at the 494 & Valley Creek Road intersection. The renovation will be done in two phases starting next month. First will be the west side of the center, called Woodbury Village Green, which is anchored by The Tile Shop and Xperience Fitness. The second phase will happen in 2015 on the east side, which is anchored by a Byerly's, Barnes & Noble, Kohl's, Target and Marshalls. The renovation includes new roofs, facade improvements and landscaping.

### Outstate

Asian restaurant chain **Mama Fu** had planned to open in the Kahler Grand Hotel in Rochester, but it's putting the project on hold indefinitely. Signs promoting the upcoming restaurant at the Kahler have been taken down.

Platinum Properties is planning an additional retail phase for their **Sugar Maple Crossing** development, a retail center in Hermantown at the intersection of Highway 53 & Sugar Maple Drive. This next phase of Sugar Maple Crossing will include 5,000 sf of new retail space and will house two national tenants that are new to Hermantown. Phase II of the development will break ground this month.

The **Endion Station Bar and Grill** opened its doors for the first time in Canal Park in late July in the city of Duluth. It is the fifth official Fitger's-owned location that puts their craft brew on tap for the public. It's also Duluth's first cider house, with almost half of their 20 taps dedicated to Brewmaster-approved craft ciders.

**Dunkin' Donuts** is staking a claim in Duluth and seems poised to take another run at the Twin Cities. The Canton, Mass. company announced Monday that it signed a franchise agreement with Brian and Sharon Weidendorf, who plan to develop seven restaurants in Duluth. Duluth's first Dunkin' Donuts should open next spring.

## MSCA IS CURRENTLY LOOKING FOR COMMITTEE MEMBERS FOR 2015!

If you would be a dedicated and hardworking addition to one of our nine committees, then take a look at our committee page for your chance to contribute to this great association.

Committees meet at all sorts of different times throughout the year, so find the one that fits your interests and schedule the best.

[Click here for the committee page!](#)

## 2015 MSCA ADVERTISING AND SPONSORSHIP OPPORTUNITIES

The **2015 Advertising and Sponsorship** menu is now available on our website. Please be aware of this when creating your 2015 budgets! Please consider security some great opportunities.

Also, corporate sponsorships for 2015 will be available in September. This is \$2,095 for the year and includes a variety of benefits for your company. Please take a look at the [sponsorship page](#) on our website for all of the information, and contact the MSCA office if you are interested or have any questions!

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For more information,  
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### COMMITTEE CHAIRS

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**Dan Jernberg**, All Elements Roofing

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**Shelia Zachman**, Commercial Realty  
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 NorthMarq

**STARR Awards**  
**Eileen Engels**, Verizon Wireless

**Charla Evenson**, Caribou Coffee Company,  
 Inc.

## MSCA Events

# 2014 CALENDAR

### SEPTEMBER 2014

SUN	MON	TUES	WED	THUR	FRI	SAT
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

Click on date within current month for details and registration link for that meeting.

- Monthly Program
- Third Thursdays
- Learning Session

### OCTOBER 2014

SUN	MON	TUES	WED	THUR	FRI	SAT
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

## NEWSLETTER COMMITTEE ROSTER

### Co-Chairs

- **Jeremy Striffler**, Cushman & Wakefield/NorthMarq
- **Judy Lawrence**, Kraus-Anderson Companies

### Committee:

- Peter Berrie, Faegre Baker Daniels LLP
- Greg Brenny, Fafinski Mark & Johnson, P.A.
- Steve Day, Sullivan | Day Construction
- Jesseka Doherty, Mid-America Real Estate – Minnesota, LLC
- Phil Foster, CMA
- Lindsay Gardenhire, JLL
- Richard Jahnke, Sunbelt Business Brokers
- Natina James, RSP Architects, Ltd.
- Jackie Knight, The Ackerberg Group
- Greg LaMere, Metro Equity Management LLC
- Susanne Miller, Loucks Associates
- Brandon O'Connell, Mid-America Real Estate – Minnesota LLC
- Nicole Wagner, Paster Enterprises
- Bill Wittrock, RSP Architects, Ltd.

Please contact any member of the Newsletter Committee with suggestions or article ideas.

## MEMBER NEWS

**Chapin Hall** recently started his own firm called Chapin Consulting, LLC.

**Great Clips** recently marked their 39th straight quarter of same salon sales growth and their 34th straight quarter of customer count growth.

**Mid-America Real Estate – Minnesota, LLC** hired **Kim Jacobsen** as Project Director. Kim is also a new member of MSCA.

**Studio 55 Architects, LLP** and **Jack Amdal** have relocated to Suite 275 within the 55 West Office Center in Plymouth. The move was prompted by both an increased work load and staff needs. Thank you MSCA members.

## NEW MSCA MEMBERS

- Andrew Twito**, Ryan Companies US, Inc.
- Suzanne Johnson**, Wenck Associates, Inc.
- Kim Jacobsen**, Mid-America Real Estate - Minnesota, LLC
- Paul Muldoon**, WaterStone Bank
- Ian Harrison**, AEI Capital Corporation
- Brian Mielke**, CoStar Group
- Fost Choles**, Fost Choles Agency Inc.
- Mary Bujold**, Maxfield Research Inc.

## THIRD THURSDAYS

**Next Meeting: Thursday, September 18, 2014**

**Time:** 3:30 – 5:00 pm  
**Where:** Psycho Suzi's - Minneapolis  
**Greeters:** Jeffrey Orosz, Sambatek, Inc.  
 Ted Gonsior, Colliers International  
 Johnny Reimann, Mid-America Real Estate-  
 Minnesota, LLC

**What:** Casual networking hosted by MSCA members  
**Why:** Create synergy in the commercial real estate industry— share ideas and stories and make new effective relationships. RSVP to **Ryan** is preferred, but not required.

# A CLOSER LOOK

# MET COUNCIL'S THRIVE MSP 2040 PLAN:



by [Jesseka Doherty](#),  
Mid-America Real Estate – Minnesota LLC

**August Speakers:** (left to right)

**Jeff Budish**, CBRE (moderator)

**Libby Starling**, Metropolitan Council

**Barry Brottlund**, InSite Commercial Real Estate (moderator)

**Wendell Cox**, Demographia

Housing growth and transit are ongoing conversations, not only throughout Minnesota, but very specifically in our retail real estate world and how it will affect retail development. The August monthly program brought a balanced discussion to both topics with the help of Libby Starling, manager of Regional Policy and Research with Met Council, and Wendell Cox, the principal of Demographia, who spoke to over 180 attendees. Barry Brottlund, InSite Commercial Real Estate, Inc. and Jeff Budish, CBRE moderated this healthy debate.

Starling gave a very detailed description on the Thrive MSP 2040 plan, which included an optimistic forecast of the population of the seven county metro area in 2040 along with expanding on the Thrive Outcomes and Principals and six key Thrive policies. She also touched on environmental impacts and hinted at a transportation plan that should be revealed in late August. Starling felt retail development will be affected by a need to reduce housing and transportation costs and felt retail is a key factor in mixed-use developments. Cox took

over in a fast and furious presentation on his macro perspective on housing growth and transit, saying it's all about the standard of living and amount of discretionary income. He stated that economic growth leads to disposable income, which is influenced by mobility and affordable housing. Cox added that transit is "all about downtown," adding that densification and transit worsen traffic. He provided several graphs and charts to show how Minneapolis compared to other cities nationwide on housing costs and transit destinations, access and travel times.

The Q&A brought up the un-touched topic of self-driving cars, which Starling responded will be added to an updated version of the Thrive plan, while Cox felt it difficult to forecast lifestyle patterns such as the self-driving car. For more detailed information on this program, take a look at the program presentation slides on the [MSCA website](#).

## AUGUST PROGRAM PROFESSIONAL SHOWCASE

### NATURAL GREEN

Close your eyes and think 120 days till vacation in Fiji...just 116 days till you have to start packing swimsuits and flip flops! Sounding good, right? OK, truth be told this is MN, and it's 116 days from our last plowable snowfall, April 16, and 120 days from the first snowfall of last year, December 4. Contact Natural Green for your winter services so you can get back to Fiji and flip flops! Folks the SNOW and Polar Vortex are coming sooner than any of us want! Give them a call and be ready when the snow hits the fan! 612-366-3984



## SEPTEMBER PROGRAM PREVIEW

Your advocacy makes a difference. Join us as our notable guest speakers cover the issues and challenges that face YOU and the Minnesota commercial real estate industry now and into 2015. **Todd Rapp**, President of Himle Rapp & Company and **Maureen Shaver**, Republican Political Analyst, will both share their insights on the upcoming elections. Both have extensive knowledge to give and are regulars on MPR.

Our speakers will address the following topics:

Policy Issues | Taxes | Budget and Spending |  
Development Regulation | Job Creation/Economic  
Development | 2014 Election | Analysis | Industry Effects

DATE: Wednesday, September 10, 2014

LOCATION: Doubletree Hotel Bloomington -  
Minneapolis South - **Note location!**

[Register now!](#)

# INCREASING DIVERSITY IN COMMERCIAL REAL ESTATE



by [Chantily Malibago](#), JLL

In an industry where less than 1% of its management-level workforce are people of color, Minnesota's Commercial Real Estate Diversity Collaborative (the Diversity Collaborative) has been working diligently to spotlight this cultural diversity gap by offering academic scholarships to college students interested in the commercial real estate industry. In June, when scores of graduates throw their caps in the air to celebrate their academic achievement, the Diversity Collaborative celebrated the graduation of its first scholarship recipient, Dorcas Gyamerah.

## Encouraging young leaders

Kelly Jameson, an assistant professor of finance and real estate at St. Cloud State University, saw great potential when she met Gyamerah. "Dorcas was in my property management class in 2013, where I first got to know her. In talking to Dorcas, I learned that she was a finance major but was interested in a career in real estate." Providing mentorship and encouragement, Jameson connected Gyamerah with networking events on campus. Jameson recalls, "What really impressed me about Dorcas though, was her professionalism and ambition to reach out to and follow up with every professional she met."

## Fresh eyes for real estate

Gyamerah's ambition and professionalism not only impressed Jameson, but also caught the attention of the Diversity Collaborative. In January 2014, the Diversity Collaborative awarded its first academic scholarship to Gyamerah.

When asked about her interest to pursue real estate academically, Gyamerah recounts, "I discovered that there was so much more to real estate than what I thought and that the industry was really recovering from the 2008 crisis. I started seeing buildings, cities and my whole surroundings differently. I realized how much was involved in deciding where to build a building, acquire one or dispose of it. Those buildings were not just concrete structures, but were managed and kept in good shape to increase their value and keep them in the market. They were "living" places—dynamic work and thought were put in them."

Gyamerah's insight and perspective on real estate as a living, dynamic environment reflects some of her deeper passion in real estate. Her long term career goal: to become a developer or urban planner.

## More work ahead for diversity in commercial real estate

The statistics for minority populations in commercial real estate are harrowing. A study published in The Commercial Real Estate Diversity Report in its August 2013 edition, revealed that white males continue to dominate every job category in commercial real estate except clerical. This gap will be a detriment to the industry – especially as markets continue to become more diverse and as companies across industries seek business partners who understand and reflect their community or company make up.

Much work is still needed to bridge this diversity gap. But, for the Diversity Collaborative, strident efforts to recruit volunteers, participate in industry events and promote their academic scholarships, is another step to facilitate the diversification of its local commercial real estate industry.

For more information about the Diversity Collaborative, how to more involved or its 2014 academic scholarship, please contact Karla at 952-888-3490.



Scholarship recipient, Dorcas Gyamerah

