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news

Volume 18, Number 2

February 2004

Feature Fashion Trends for 2004

by Ferne Sofio, Paster Enterprises and Lisa Diehl, McDonald's Corporation

Female shoppers continue to take home the gold with retailers and have dominated the fashion industry with shopping sprees, day trips to salons and spas, and extensive personal grooming routines. But, don't forget about the men and teens/tweens. Today, these two groups are closing in on the gap and have steadily increased their levels of personal expenditures to pamper themselves and make personal statements through fashion trends for over a decade.

Teens' Trends

Generation X, born between 1965 and 1980, has had to face the facts; they just don't have the same presence as the Baby Boomers in the eyes

of marketers and retailers. As the generation is approaching mid-life and acquiring assets after establishing their careers, Gen Xers are being overlooked almost entirely by retailers. Just when Generation X should be taking the spotlight, marketers are skipping over all 46 million of them to tap into the "real" money from Generation Y or the Millennials, 76 million strong and over \$400 per month in disposable income.

Teens and the slightly younger tweens were once the mall rats – hanging out and not spending money. Today, they are a vital part of the retail scene. These kids work part-time jobs, baby-sit, receive money gifts and weekly allowances.

Fashion Trends continued on page 2

Snapshot Brookdale Corner Shopping Center



Location: Brooklyn Boulevard and Bass Lake Road, Brooklyn Center, MN

Year Opened: 2001

Owner: Brookdale Corner, LLC

Managing Agent: Ann Hartman, Welsh Companies, LLC

Leasing Agent: Janet Olson, Welsh Companies, LLC (952) 897-7751

Architect: KKE Architects, Inc.

Construction Contractor: Kraus-Anderson Construction Company

GLA: 115,357 sf

Occupancy: 84%

of Stores: 14

Anchor Tenants: Cub Foods, Burger King, Blockbuster Video, Leeann Chin, Caribou Coffee

Market Area Served: Northwest Metro area

Additional Facts/Narrative: Modern, attractive grocery-anchored center at most prominent intersection in the trade area. Dense population base. Located directly adjacent to new Barnes & Noble and Old Navy at Brookdale Mall.

FASHION TRENDS *continued from page 1*

Research shows teens have an average of \$101 per week in discretionary income, which adds up to about \$95 million in spending money according to experts.

While teenagers are lumped into one group, it is difficult to speak about them as such, because 11 to 13 year-olds are different from the older teens. One group is still into apparel, while the other may be thinking about buying a car or furnishing a college room. However, both sub-groups are doing the same thing – trying to find their place and communicate who they are through the purchases they make.

The teeny-boppers' options for apparel and services specially designed with them in mind are steadily increasing. When it comes to clothes and shoes, straight-leg jeans and Keds are out, while stiletto heels and mini-skirts are in. For girls, velour sweatsuits, platform shoes and Converse All-Stars are trendy. New Balance and Birkenstocks are popular, as well as trucker hats and vintage clothing from the 1980's TV shows.

In years past, older teens have driven the retail clothing chains, such as Old Navy, Abercrombie and Fitch and PacSun. Although teens report that they plan to spend more money in 2004 than last year, they are becoming savvy and cautious consumers. These cost-conscious teens are aware that the trends will be totally different in three to six months. Today, teens are saving their money for big-ticket items, such as cell phones, video games and digital cameras, and turning to discounters Wal-Mart and Target for clothing bargains.

Men's Trends

Retailers have long targeted women and baby boomers due to sheer mass of numbers they represent. Though a decade of head-

butting has existed between Baby Boomers and Gen Xers, men of both generations are coming together as they realize the benefits their female counterparts are experiencing. Young men from Generation Y have been exposed to male models for years and retailers are banking that men will tap into their vanity by promoting hair and skin care products formulated for men.

The term "metrosexual," – heterosexual men who unapologetically embrace high-maintenance grooming – coined by Englishman and soccer king, David Beckham, has been around for a few years already, but the lifestyle associated with it is just becoming mainstream. It is not about sexual orientation at all. It is about style – the hair, designer clothes, skin care products, clubs, gyms and the hairdressers.

Faith Popcorn, America's foremost trend expert, forecasts male vanity or "manity" will go mass. During the last twelve years, there has been an 80% increase in the number of plastic surgeries performed on men. The men's procedures have reached two-thirds the level of women's procedures. Additionally, there is no longer the stigma of losing masculinity due to taking better care of their health and looks. Be on the lookout for male-only establishments, such as male-only salons and exercise facilities. As men's shopping habits continue to evolve, new categories typically reserved for women will open up for men. Seasonality will become a factor with their attire and niche markets will be created.

In 2004, the most important fashion print for men will be stripes and striped variations on all garments including belts, ties and edge trims, ideally suited to the cowboy designs forecasted by several major designers, like Gucci. Keep your eyes peeled for

Top 10 Retail web sites integrating online and In-store traffic

1. Coach
2. Neiman Marcus
3. J. Crew
4. Bloomingdale's
5. Williams-Sonoma
6. Pottery Barn
7. Crate & Barrel
8. Nordstrom
9. Eddie Bauer
10. Macy's

kilt suits. Colors for men include terracotta, clay, wicker, soft tea, all blues and the return of greens.

Women's trends

A new survey conducted for "frankaboutwomen.com," found that nearly two out of three women have changed their shopping habits over the last two years. Rather than a leisurely weekend outing with friends that often included lunch, more women are making quick shopping trips for specific items during their lunch breaks. Their lives are so busy that they have turned shopping outings into a must-have shopping trip. Women are also more inclined to bargain shop.

After years of emulating men's business attire, women's styles are becoming more feminine as designers cater to a more confident woman in the workplace. As dress becomes less formal and more casual in general, so does the desire for differentiation between leisure wear and just casual wear with casual brand names becoming an even more important focus as status symbols. The return of the Olympic Games helps maintain strong sports fashion influences.

Added femininity this spring will be enhanced by designers with color and natural fibers. Color palettes include white, cream, pastels that tone well with beige, burnt orange and rust, dusty turquoise, aqua, baby lemon, dusty pink, most leaf greens, lime, and intense fruit shades. Colors that are not garish will become the norm. Cotton and linen will be the fabrics this year. Expect linen in a whole range of colors and fabric weights and textures as yet unexplored. Inego™, a new, renewable non-flammable fiber made from sugars found in vegetables such as corn, will appeal to eco-conscious consumers.

To finish any ensemble, women should watch for attention-grabbing accessories and foot-ware. Textured leathers, such as crocodile, lizard and alligator, will be the accessory fashion trend statement of 2004.

Fashion Trends continued on page 3

Apparel Industry History

Today, most Americans wear imported clothes, and most fashion companies fax instructions across oceans, to lower-cost factories in Asia or Central America. That leaves fewer fashion houses manufacturing in New York, and those that do are likely to make specialized items in smaller numbers – short runs. The mass market, the clothing that most people wear every day, is largely gone, experts agree. That changed dramatically over the past 20 years. Now absolutely all of the mass production has moved offshore. What's left is all about smaller, quicker runs and high-fashion product.

U.S. apparel employment, which has been on the decline for the past three decades, dropped below 500,000 last year for the first time in 30 years, according to the Labor Department's employment report. The industry lost nearly 1 million workers. Likewise, employment in the textile sector fell another 6,000 jobs last year bringing the total sector to 409,000.

Department stores have seen the domino affect as their employment numbers have decreased.



Member Profile

Dean Wieber

Company: Great Clips, Inc.

Primary Career Focus:
Providing leadership to Great Clips' Real Estate Department as we continue the rollout of the Great Clips brand.

Title: Senior Vice President, Real Estate

Hometown: St. Cloud, Minnesota

Education: Bachelor of Science, Business Administration, Arizona State University; Master of Business Administration, St. Cloud State University

Family: Wife Margi and children, Sarah (19) and Brett (17)

Hobbies: Golf, boating and snow skiing

Job History: 1991 to present: Great Clips, Inc.

1987-1991: Wieber Commercial Real Estate

1980-1987: Mark's Realty, Commercial Division

Very First Job: Counterman at Maid-Rite Sandwich Shop on Main Street in St. Cloud

Dream Job: Custom home builder (Just like dad!)

Secret Talent: I make great hamburgers!

Favorite Food: Gingersnaps

MSCA Involvement: Legislative Committee and Business Day at the Capitol



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- 1st Vice President*
Peter Austin, Welsh Companies, LLC
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Sara Stafford, KKE Architects, Inc.

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- Mary Wawro, Ryan Companies US, Inc.
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Legislative Update

Get Involved

MSCA has been holding Member Coffees with legislators around the metro area. These meetings are a great way for MSCA members to meet with their elected officials to discuss issues important to MSCA. During 2004, MSCA is focusing our public policy agenda in four areas: commercial industrial property taxes, transportation funding, smart growth issues and local government fees. In the coming months, we will provide greater detail about these public policy areas in the newsletter.

We would like to urge all members to make a commitment to meet with their legislators during the upcoming year to discuss the issues

important to the shopping center industry. Many of the legislators are serving for the first time and they are anxious to hear and learn from their constituents. If you would like to set up your own coffee, contact the MSCA office. MSCA will provide you with talking points and materials for your meetings. MSCA lobbyists, Rich Forschler and Sonnie Elliott, are also available to attend meetings with you and your legislator.

The 2004 legislative session began on February 2, 2004. The Annual Business Day at the Capitol will be held on March 18, 2004 and members will be notified of other events and activities as they are scheduled. ■

FASHION TRENDS *continued from page 2*

Mobile phones will merge into the outer construction of bags. Paying homage to vintage fashion, 2004 will see even more embellishment on fashion bags. Shoes of every hue will once again adorn the shoe racks this year. Boots with biker straps will feature heavily. Finally, natural looking ethnic inspired jewelry is a must, and chandelier style earrings of every description say 2004 designers. And, costume jewelry will go wild.

Why are these trends so important to retailers and economists today? Since consumer spending is the leading driver of the nation's economy,

understanding the dynamics of how today's families shop is absolutely critical to Corporate America. Women spend six trillion dollars and are signers of 80% of all checks written in the U.S. While women make the final decisions, kids and teens perceived needs influence over 60% of an average family's purchases. (By age 3, kids recognize logos from about 100 different brands.) Though parents are the gatekeepers of household money, targeting kids and teens typically means attracting the family. Meanwhile, retailers will need to respond to meet the needs of heightened fashion-conscience men. ■

February Member News



Peyton Acknowledged

As seen in *Realcomm* - Whitney Peyton, CB Richard Ellis was listed among the *Top 25 People to Watch in 2004* for people in the commercial real estate industry who are involved in technology and automation and are worth watching in 2004.

Panchero's Opens in Block e

The 3,000-sf Panchero's Mexican Grill, located near the Target Skyway in downtown Minneapolis, opened in Block e on January 22. The stores all sport tile floor, wrought-iron railings and warm earth tone colors. In addition to the Block e location, other Panchero's Twin Cities locations include Golden Valley, Plymouth, Champlin and St. Cloud.

Real Estate Veteran Helen Brooks Retires

Helen Brooks has retired from her job as a real estate broker at Colliers Towle Turley Martin Tucker. Brooks got her start in real estate by doing site selection for many successful restaurant chains. In 1965 when she worked for Premier Realty, she was found a franchisee to open the first Pizza Hut restaurant in the Twin Cities. She later found 10 locations for them. She also found original locations for 30 McDonald's restaurants, White Castle, Rax, to name a few. Brooks said, "I spent many a Monday evening in city halls going through the approval process for restaurant chains. In those days, a restaurant pad site went for \$70,000 to \$80,000."

Brooks is currently finishing up some business and she will be available as a consultant when requested. She plans to do some traveling to see her family, spend time at her summer place, and enjoy life.

KKE Helps PB Loco Open

PB Loco, a new quick-serve sandwich shop offering a sampling of custom mixed peanut butters, recently opened at the Mall of America. KKE Architects worked closely with the owners to incorporate a unified, functional design. The unique semi-circular store layout allows space for the customer to browse, away from the stacking and movement through the order line. This layout helped increase speed of service and provide a clear path of travel for the customer.

PB Loco is designed so that customers may watch their sandwich being made and tweak

the ingredients as they wish. Custom-mixed flavors include: mocha, white chocolate, white chocolate raspberry, cinnamon raisin, curry, and apricot, in addition to traditional peanut butter (smooth, crunchy, or natural). The 897 sf store is located on the first level east rotunda, next to Barnes and Noble.

Ryan Announces Plans for Dean Lakes

Ryan Companies US, Inc. has announced development plans for Dean Lakes, a unique Twin Cities mixed-use development. The 273-acre, master-planned project will blend 42 acres of residential space, 44 acres of retail space and 90 acres of industrial and office space. Located at Highway 169 and County Road 83 in Shakopee, Dean Lakes is one of the largest mixed-use developments ever to be initiated in the Twin Cities' southwest region. The developer has selected United Properties to manage the sales and leasing activities of all commercial real estate at the site.

Farewell Apache Plaza

Apache Plaza, in St. Anthony, Minnesota, will ring up its last cash register sale shortly when the Herberger's store closes. Minnesota's second oldest enclosed mall, originally built with 530,000 sf of GLA, was built in the early 1960s. The mall will be demolished and replaced with a \$150 million mixed-use development. Robert C. Muir & Co. and Pratt Ordway will develop a variety of housing and 230,000 sf of retail.

Opus Sells The Shoppes at Arbor Lakes

As reported by The Business Journal, Opus Northwest has sold The Shoppes at Arbor Lakes in Maple Grove, the first lifestyle center in the Twin Cities, for \$86.9 million to Prudential Insurance Co. of America. Opus will continue to manage and do the leasing work for the property, which is 85% occupied.

Shingobee Honored

The Minnesota chapter of Associated Builders and Contractors honored Shingobee Builders, Inc. with "Awards of Excellence" for three of its construction projects, Landscape Structures Corporate Headquarters in Delano, MN, Prairie's Edge Casino Resort in Granite Falls, MN and Creative Memories in St. Cloud, MN.

Jerry's Acquires

Jerry's Enterprises, Inc., an Edina-based grocery chain, will close the first part of February on the purchase of two County Market stores, Hudson and Wausau. The company owns 11 Cub Foods franchise stores, 10 Save-a-Lot stores and three Jerry's Foods stores both in Florida and Minnesota.

SuperValu News

SuperValu announced the conversion of 15 Metro Foods grocery stores in the Baltimore area. The SuperValu owned Shoppers Food Warehouse chain located in the Baltimore, Washington D.C. and northern Virginia area now has 58 stores averaging 45,000-50,000 sf. ■

Fat Tuesday

Mardi Gras, or "Fat Tuesday," is on Tuesday, February 24th this year. Early French explorers celebrated this day on the banks of the Mississippi River in New Orleans starting in 1699. Mardi Gras is always 47 days before Easter, between February 3 and March 9 depending on the Lunar calendar.

Limited Brands Cycles Out of Apparel

Limited Brands has run out of luck in the low-margin, cyclical apparel category, but is striking it rich as its Victoria's Secret and Bath & Body Works divisions. Since 1996, Express division sales have been flat. And The Limited Stores division has piled up more than \$400 million in losses since 1993. Now, pundits are speculating that Limited Stores, with only 347 locations, could sell to a strategic or financial buyer for \$100 million to \$280 million. Focusing on intimate apparel and personal care products would perpetuate a 10-year trend at the company. (Retail Traffic)

Top Ten Teen Towns

85% of teenager's income is discretionary, compared with less than 10 percent for adults. So it's important to keep tabs on these big spenders. Most U.S. teenagers live in smaller suburban markets, according to research by Mapinfo Corp. Of the top 10 highest cities in the United States, St. Cloud, Minnesota ranked number 8 with 10.4% of its population being teenagers.

Retailer Profile

Oil Can Henry's

by Anita D. Johnson, Premier Commercial Properties

The name and logo create an image of days past when you could bring your car in for service and be greeted with a smile and friendliness that evokes quality and trust. The building design and the highly trained technicians are dressed in attire to reflect yesteryear, including the old gatsby hats. Oil Can Henry's is a new con-



cept coming to Minnesota that provides a wide variety of valuable maintenance and safety services.

George Steinfurth, Director of Franchise Development, states that the company was formed in 1978 and was bought by John Shepanek, Chairman and CEO, in 1988 and included nine stores all located in the Portland, Oregon area. Shepanek took a conservative approach with his plans to franchise in 1989 by adding one store at a time.

From the name and logo to the turn of the 20th century appearance of the building and uniquely attired technicians, the company emphasizes a desire to build trust and loyalty between them and their customers. When you visit an Oil Can Henry's location, with or without an appointment, you are able to remain in your car. A free copy of USA Today is provided and you can watch the certified technician complete the requested ser-

vices on a video monitor positioned outside the driver's window.

They have 64 locations open for business or planned for construction in Arizona, California, Oregon, Washington, Minnesota and Colorado; another 24 sites are sold. The up and coming markets include Texas and Idaho. The site criteria for Minnesota is as follows: a minimum of 14 sites, metro area and second tier markets, high traffic counts and/or lack of competition in area, corner lots or pad sites on anchored developments, willing to purchase land, build to suit, ground lease - under one acre sites, timing is now. Laura Moore and Ronn Thomas from United Properties are representing Oil Can Henry's locally. For more information regarding Oil Can Henry's visit www.oilcanhenry.com.



Market Update

Des Moines, Iowa

Only three hours south of the Twin Cities, Des Moines offers affordable housing, one of the nation's shortest average commute times, an increasingly diverse population, good public schools, low labor costs and affordable real estate. Des Moines has a metro population of approximately 456,000.

Last year, the Greater Des Moines market saw the greatest rise in occupancy. Total mall occupancy in Great Des Moines increased to 92 percent, up more than two percent from 2002, as was noted by CB Richard Ellis, Hubbell Realty Company. While the future is bright in the west, landlords struggle to backfill vacant retail space on the metro's northeast and southeast markets. With lingering vacancy in big box, landlords continue to consider non-retail uses to fill space.

Premier retailers and restaurants are being touted as having interest in Des Moines for the first time, notes Grubb & Ellis. A brief list of the new or expanding tenants to the market includes: SuperTarget, Walgreen's, Sportman's Warehouse, Petsmart, Family Dollar, Lowe's.

A favorable tax structure and good highway access have attracted companies with large distribution operations. While analysts suggest that spending will decline as the tax cuts and wave of mortgage refinancings pass, the retail property market is likely to get even stronger in the coming year.

There is considerable residential growth in **northwest** sector. Retail opportunities are at the intersection of 86th and I-80. There are approximately 80 acres of mixed-use office/retail development under construction. Retail spaces and land that had been vacant for nearly two years are leasing up along the University Avenue in West Des Moines.

The **southeast** area has the weakest retail. No real improvements are projected this year. It has been the segment where a retailer would locate a second store in the market, but now stores are moving to the northwest and southwest segments.

Altuna and Ankeny are included in the **northeast** market. Altuna has a stable residential area with Wal-Mart and Target serving the area. Ankeny has farmland, which is being purchased for residential

growth. The big-box retailers are positioned in Ankeny.

The **southwest** market is leading the way for development with new construction, increasing rental rates and positive absorption. The hot spot is located near George Mills Parkway and 74th Street where General Growth is developing the 216-acre Jordan Creek Town Center regional mall. Retail developments planned on several tracts along the Mall's perimeter and are providing ample opportunities for tenants to locate here. Land speculation around this new artery is gearing up for some long-awaited closings, which could test local price per sf records. Another development is West Glen, anchored by SuperTarget. Mills Parkway Plaza being joint ventured by Buyer's Realty and Knapp Development are developing a mixed-use project of office and retail. Wells Fargo is building an 800,000 sf office building with a potential for 2 million sf expansion in this development, possibly adding 3,300 jobs to the immediate area which would provide a natural customer base for these upscale retailers.

The Cutting Edge of Real Estate Technology

by Christopher Max Naumann, KKE Architects, Inc.

Do the terms HTML, WWW, or MCPE ring a bell? If not, you probably missed the MSCA January breakfast program. Panelists Steven Mosborg, Park Midwest Commercial Real Estate; Whitney Peyton, CB Richard Ellis; Jim Mayland, Minnesota Commercial Property Exchange; and Bob Bauer, Cuningham Group Architecture collectively explained how real estate professionals are using technology to enhance their organizations.

The Basics

Since technology dominates our world, we must all achieve a basic competency in technology. Mosborg offered the following advice. Embrace ever-changing technology, grasp the basics now and challenge yourself to constantly learn. With email, cell phones, laptops, and Personal Digital Assistant devices, applying technology has never been so easier. You can find everything on the web, simply take the time to explore it. Trust technology solutions. Many programs can convert information into universal formats that can be used by nearly anyone quickly and easily. Befriend an IT professional for inside knowledge and advice. Professional services such as "The Geek Squad" are available as a resource for a fee. And finally, give your kids an advantage and teach them about technology at a young age.

Yeah, so what?

Peyton explained how traditional models that govern business have shifted. Technology has broken down barriers and offers efficiencies and effectiveness in transactions never before seen. People now network through "Switchboard Profit Models," where buyers and sellers come together quickly,

without middlemen, to conduct transactions. To remain on the high end of this valuation curve, industry professionals must learn these business models or face daunting competition from those who do.

The models hold especially true in real estate. Databases are evolving that centralize key real estate data in one location. Accessing this technology links buyers, sellers and professional services together online instantly. Since 1996, over 65 city markets have enacted some form of commercial property reference online. In the Minneapolis market, the Minnesota Commercial Property Exchange (MCPE) is the primary reference tool for professionals.

The MCPE

Mayland demonstrated the features of the MCPE. With over 21,000 properties listed in the 7 county metro area, the MCPE is the most comprehensive commercial property listing available. Accessible from any web browser, a person may enter the system and use over 200 fields of searchable to generate custom lists of properties fitting specific

profiles. According to the Mayland, the MCPE also carries many features including broadcast email, site mapping, photographs, and commercial Internet links. The site is a pay service and is hosted by the Minnesota Commercial Association of Realtors. More information and access can be found at www.mncar.org.

MSCA Technology Update

Bauer, as a technical advisor to MSCA, demonstrated the new intranet section of the MSCA website www.msca-online.com. Members can now log in for exclusive access to the online membership directory, email members directly and reference a digital archive of newsletters. All members were mailed a letter recently with their Member ID number and password.

As our panelists described, technology must be embraced and utilized in our industry. The days when people could get away with their VCR's endlessly blinking midnight are gone. We now exist in a time where technology dominates, so turn on your MP3 players, and rock on towards the future. ■

Around the Marketplace Retail Tidbits

compiled by Tim Hilger, Diversified Acquisitions, Inc.

- **Lehman Brothers Holdings, Inc.** and **Starwood Hotels & Resorts Worldwide, Inc.** is completing the \$1.2 billion acquisition of the British hotel chain **Le Meridian** which has 126 hotels. The acquisition includes the Le Meridian Hotel in **Block e**.
- The **Radisson South Hotel** in Bloomington, Minnesota has been sold and will be re-bannered as a **Sheraton Hotel**.
- **Target** and **Wal-Mart** stores both reported that December 2003 sales came in at or slightly above plan. Target stores reported an increase of 4.1%. While Wal-Mart reported an increase of 4.3%, Target's **Marshall Field's** stores reported a better than expected decline of 1.7%. **Mervyn's** reported an increase of 4.1%.
- **Kmart** reported that November and December 2003 same store sales declined by 13.5% vs the prior year (\$5.1 billion vs \$6.9 billion). The decrease was due to declines in comparable store sales and the closure of 316 stores during 2003.



January Professional Showcase

MNCAR offers the most comprehensive property tracking database (MCPE) in the state of Minnesota of extensive information on office, industrial and retail properties. Pictured: Jim Mayland and Judy Puhl

Tidbits continued on page 7

Committee Profile

Newsletter Committee



ALBINSON



ANDERSON



BROWN



DAHLIN



DIEHL



EGGERT



EWENS



HABLE



HILGER



JAMES



JOHNSON



NAUMANN



PIERCE



SMITH



SOFIO

Notice anything different about this issue? The 2004 Newsletter Committee, led by Lisa Diehl and Betty Ewens, decided it was time for a new look. We hope you like it. This committee is devoted to providing our members with an interesting, accurate and up-to-date monthly newsletter. The committee meets every other month to discuss current events and work together to obtain and prepare articles, including features about existing and future retail development projects within the state, profiles, program recaps, and retail trends that affect our industry and membership. If you have ideas for the committee or are interested in writing articles, please contact Lisa Diehl (952) 884-4355. A huge thanks to the talented committee members for their dedication and hard work! ■

Pictured:

- Albi Albinson, *Architectural Alliance*
- Kathy Anderson, *Architectural Consortium*
- Nancy Murdakes Brown, *Suntide Commercial*
- Jon Dahlin, *Itasca Funding*
- Lisa L. Diehl, *McDonald's Corporation*
- Stephen Eggert, *Target Corporation*
- Betty A. Ewens, *Kraus-Anderson Companies*
- Cynthia Hable, *Kraus-Anderson Companies*
- Tim Hilger, *Diversified Acquisitions*
- Natina James, *KKE Architects, Inc.*
- Anita Johnson, *Premier Commercial Properties*
- Christopher Naumann, *KKE Architects, Inc.*
- Lonnie Pierce, *Meridian Real Estate*
- Terry Smith, *TRS Commercial Real Estate*
- Ferne Sofio, *Paster Enterprises*

Not Pictured:

- Bob Barton, *Kraus-Anderson Companies*

TIDBITS *continued from page 6*

- **JCPenney**, with 1,030 department stores, announced that December 2003 same store sales rose 4.3% from December 2002, including its **Eckerd's Drug** store sales, which fell 2.5%. Penney's overall sales increased 1.8%. Penney's has hired **Credit Suisse First Boston** to assist in the sale of the 2,700 Eckert store chain. A decision on the sale is expected in the next 12 months.
- **Kohl's** reported a December 2003 sales decline of 1.2%.
- Locally based **Golf Galaxy** plans to open eight to 10 new stores in 2004, bringing the total number of Golf Galaxy stores to 34. The closest new store to Minnesota will be in Appleton, Wisconsin.
- **Christopher & Banks** opened 41 new stores in the last quarter of 2003 quarter, with a total of 97 new stores for the year. They presently have 535 stores in operation consisting of 414 namesake stores and 121 **C.J. Banks** stores.
- **TeenSpa** in the **Mall of America** is proving how parents and kids are spending money on merchandise and services for kids. Manicures, pedicures, shampoos,

- body exfoliation, waxing, makeovers and more are the specialties of TeenSpa. According to a recent article in the *Star Tribune* kids are paying up to \$115 for a 2-hour kid's spa treatment.
- **FedEx** copies UPS! FedEx announced that they are acquiring **Kinko's** for \$2.4 billion. Kinko's 1,200 stores will add full service FedEx counters at all Kinko outlets. Their business relationship started in 1996 when FedEx became the exclusive package drop off point at Kinko's. This acquisition follows **UPS's** acquisition of **Mail Boxes Etc.** in 2001 which was rebranded to the **UPS Store** name.
- **MegaStar Cinemas, LLC** recently sold two locations in Minnesota (Maple Grove Arbor Lakes and Edina Southdale Mall) for \$14.9 million and one in Atlanta to **AMC Entertainment Inc.** Including the newly acquired theatres, AMC now operates nine theatres with 147 screens in the Atlanta area and seven theatres with 83 screens in the Minneapolis-St. Paul area. AMC will begin operating the theatres immediately and plans to complete its re-branding of the theatres early next year.

- Chicago based **Archibald Candy Company** announced they will close the final 242 **Fanny Farmer** and **Fanny Mae** candy stores in the U.S., including 13 in Minnesota.
- **Wilson's The Leather Experts, Inc.** announced in January they plan to close approximately 100 stores, nearly 20% of their total. They do not expect to close any of the 18 Minnesota locations.
- **Tiffany and Co.**, the famous New York jewelry store, will open its first store in Minnesota at The Galleria and is anticipated to be open for the summer.
- **Kokomo's Island Café** in the Mall of America opened in November. Kokomo's parent company, partly owned by (Famous) Dave Anderson, just purchased the Pickled Parrot chain and will convert the Eden Prairie, Apple Valley and Uptown Minneapolis locations into the Café's.
- **Warners' Stellan** is growing again with their fifth appliance store location in the Twin Cities opening in Brandon Square in Edina, across from the Galleria.

Tidbits continued on back page

TIDBITS *continued from page 7*

● Tough times in toy land. **KB Toys, Inc.** filed for bankruptcy the first part of January and will be closing 500 of their 1,300 stores in the U.S. The Minnesota closings include 5 retail stores, 4 outlet stores and 8 departments within **Sears'** stores. This is the second major specialty toy retailer to seek Chapter 11 assistance behind FAO Schwarz. **Toys "R" Us** will close all of its 146 freestanding Kids "R" Us and 36 Imaginarium stores, mostly in the Midwest and Mid-Atlantic regions nationally, which may add close to 3 million sf of community center space back on the market. Some of the Kids "R" Us may open as Babies "R" Us stores.

● Who is the world's #2 electronics retailer? Not **Circuit City!** **Wal-Mart** moved into the #2 electronics retailer position behind #1 Best Buy. Wal-Mart sold \$14 billion in electronics in 2002. While #1 **Best Buy** sold \$17 billion in 2002. Best Buy will retain its #1 position in 2003, but it will be interesting to see how Wal-Mart follows up in 2003 from a strong 2002.

● **Circuit City** announced they will sell its private label credit card business to **Bank**

One Corporation for \$1.8 billion. Circuit City will use the money to renovate and update stores and add new stores to its inventory.

● **Detroit** has usurped **Houston** as the #1 "fattest city" in the U.S., as compiled by *Men's Fitness Magazine*.

● Hotel rooms getting larger? By replacing the cumbersome armoires and old bulky TVs with flat screen TVs, rooms will feel larger. Room rates are anticipated to rise because of the "spacious" rooms we'll be renting. ■

Leap Year 2004

In a Leap Year, the calendar is extended to have 366 days, adding February 29 to the year. This is done to put the calendar year in line with the length of the Earth's orbit around the Sun, so the seasons will always occur during the same months each year. Look for Leap Year to fall on Sunday, February 29th this year, which coincides with the 76th Annual Academy Awards.

2004 Schedule of Events

Our monthly program meeting date is the first Wednesday of every month (with the exception of March, July, September and December). All meetings will be held at 8:00 a.m. (registration at 7:30 a.m.) at the Radisson South Hotel unless otherwise noted or publicized before the program. Program topics and location are subject to change.

March 18 - Legislative/Business Day at the Capitol, *Four Points Sheraton St. Paul/Capital Hotel*

April 7 (Afternoon) - Geographic Focus

May 5 - Development

June 2 - Industry Trends & Demographics

June 21 - Annual Golf Event, *Majestic Oaks*

July 7 - Professional Development

August 4 - Retail Focus

September 8 - Mall Focus

October 6 - Economic Outlook

November 3 (Afternoon) - Retail Report

December 7 (Evening) - Year End Ceremonies/STARR Awards/Holiday Party

since 1988



Minnesota Shopping Center Association

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enhancing our industry

MSCA Member Resolution:

Get involved in a committee in 2004