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Feature Article

RETAIL DEVELOPMENT IN DULUTH



by guest author: [Alex Johnson](#)

You know that little cute town up north? The one that's not far enough to be where the elves roam, but far enough north that often its temperatures are comparable to those on Mars during winter. Yeah, that one. Believe it or not, it's growing. We're talking about the picturesque City of Duluth; a city that everyone flocks to in the summer for its cool beaches, local restaurants, and views that literally are found on a postcard. Yet, for those who call Duluth home and experience all four of its beautiful, serene, frigid, and utterly astounding seasons, you'll notice what Duluth lacks: the biggest names in retail. The reason is that the city doesn't appear to be a great fit for most retail companies on paper and often seems to be too big of a gamble for most to take. It's strictly the demographics. Companies desire huge population numbers when they finally decide to make a commitment when venturing into uncharted territories. While the City of Duluth only has a population near 90,000, the region in which it pulls from stretches past 450,000, drawing shoppers from not only the surrounding areas, but also those from the Iron Range, Wisconsin and even as far as Canada. Besides the hard to grasp demographics, almost all retailers' expansion plans came to a screeching halt in 2007 when the recession hit. Many thought when the recession ended that retailers would once again cautiously resume their pre-recession expansion plans and development would soon be raging through the suburbs of the Twin Cities and trickling slowly into the Twin Ports. However, the end of the recession in 2010 couldn't have proved anyone more wrong.

Now, you're thinking, "2010 was three years ago, so what exactly has happened since?" The answer: a whole lot. The Duluth area has seen the addition of 30 new retailers and restaurants since 2010, with at least 17 more projected to open in 2014, along with the addition of 25 more the following year. That's close to 75 new retailers and restaurants within a three-year time span for a city that is equivalent in population to that of Bloomington, MN, without the surrounding metropolitan population of four million. That's sort of a big deal when you think about it. What is the key to the recent development surge taking place within the Duluth area? It's most likely the fact that retailers realize that not only will their locations prosper here, but also that they will often surpass the expected sales goals and in some cases shatter the records set company wide. Post-recession development within Duluth has been overtaken by a haste of retailers who have taken notice that Duluth is a virtually untapped commercial market waiting to be conquered.

So, where exactly is all of this development occurring? Well, there are quite a few places. The most prominent area of development rests atop those picturesque hills in an area that is the retail heart of the city; simply known to the locals as "Duluth Heights." This area is where most companies that are new to the area are deciding to make their presence in Northern Minnesota known. Big names such as Buffalo Wild Wings, Hobby Lobby, Bed Bath and Beyond and Texas Roadhouse are just a few to quickly name that have opened in the area in post-recession times. However, they were just the start to what seems to be a retail development epidemic that is occurring within the Duluth area.



Developed by Florida based General Realty, "Hansen Center" is currently under construction on a 1.6-acre site at the convergence of Maple Grove Road and Miller Trunk Highway. The commercial development will be the newest retail center within the Duluth Heights area and also one of the first retail developments in decades to be fully leased even before construction has finished. Three buildings will include close to 20,000 square feet of space for four new retailers. The Vitamin Shoppe was the first retailer to open last month, with Verizon Wireless opening shortly after; Sleep Number in early February and Northern Minnesota's first Panera Bread in either late February or early March.

Less than two blocks down the road from the Hansen Center, Platinum Properties has begun pre-leasing "Platinum Plaza," a new 24,000 square foot commercial development to be built directly across the Miller Hill Mall off of Maple Grove Road. Split between two buildings, the development will have up to ten units of retail space for lease. Developers currently are in talks with multiple national retailers and restaurants and are close to attracting another fast casual restaurant to the Miller Hill area.

A mere two miles up the road, the first of three phases of another Platinum Properties development called "Sugar Maple Crossing" is wrapping up. The

continued on next page

Retail Development in Duluth - continued

9,000 square foot first phase of the project is almost fully leased, already having welcomed Crossfit Duluth and Fastenal to the area, with a third space to become home to the first Dickey's BBQ in the area this spring. Platinum Properties is planning to begin construction this spring on an additional building within that development that will include another 5,000 square feet of retail space that will eventually house three retail spaces. Two retailers have signed letters of intent for spaces within the project, while a third and final space soon could also be claimed. Phase three of the development will occur in 2015 with the construction of 20,000 square feet of office space off the first retail building, Platinum Properties is already in close talks with a tenant to occupy the entire space.

The recent ambitious development plans for the Hansen Center, Platinum Plaza, and the Sugar Maple Crossing sites are showing a new trend in the Duluth retail development scene. Smaller retail developments are becoming more and more common in the Duluth area, something that was seemingly unheard of before. The fact that these retail developments are often close to being fully leased by the time of first occupancy clearly shows just how much pent up demand there is for retail space within the area.

Within the same area is Simon Properties Miller Hill Mall; an 800,000 square foot collection of over 100 retailers and restaurants and the only mall of its size in Northern Minnesota. The ushering in of the 21st century began a new chapter for the mall and, by the end of the first decade, a revitalized sense of urgency for national retailers seemed to be filling the corridors. Once the economy began to recover from the recession, Miller Hill Mall experienced a surge of interest from new retailers. Since 2010 the mall has seen the additions of retailers such as Famous Footwear, Aerie, Charlotte Russe, Hollister, Dress Barn, Torrid, and more. This past year alone the mall welcomed well-known fashion retailer Express and also the mall's very first luxury retailer: Coach.

Arguably, the single most important development since the mall's opening in 1979 came in 2013 with the redevelopment of vacant mall space and a 26,000 square foot addition to accommodate a new Dick's Sporting Goods; the first Northern Minnesota location for the company.



The area of particular interest for 2014 is the continuation in development of the Miller Hill Mall's lifestyle component fronting Miller Trunk Highway. The introduction of Coldwater Creek, AT&T, and Five Guys Burgers and Fries in 2008 began a rebranding and reimagining effort for the front of the mall. The creation of the streetscape was strengthened further with the addition of Ulta in 2010, and the area's very first Noodles & Company location that opened in the fall of 2013. However, 2014 will most likely be the biggest year yet for the streetscape when the remaining vacant space is filled with the opening of the first Chipotle Mexican Grill location north of the Twin Cities this spring along with Duluth's third Sport Clips to open within a single year.

The commercial development occurring within the Duluth Heights area is only the start; new developments continue to pop up in other neighborhoods with each new month. College students near UMD and St. Scholastica have complained for

decades now that Duluth has lacked a college community similar to that of the University of Minnesota's Dinkytown. In the fall of 2013 developer Mark Lambert answered the dreams of those college students with a project called "Bluestone Commons."

The development encompasses land directly across from UMD's campus; land that formerly housed Duluth's Woodland Middle School. BlueStone Commons will eventually house over 800 students, but the apartment projects is just the beginning. BlueStone Lofts, a 100-unit apartment building, opened this fall as the first of three planned apartment buildings for the BlueStone Commons project.



Soon after the completion of BlueStone Lofts news broke that a new retail development called "The Shops at BlueStone" would open on site in February 2014. The fully leased retail center will be home to six new retailers, three of which will be new to the Duluth area. This list includes the city of Duluth's third Starbucks location, Chilly Billy's Frozen Yogurt, Northern Communities Credit Union, Duluth's second Sport Clips location, and the first Qdoba location in Northern Minnesota. In addition to that retail center, a new 350 seat restaurant called "Tavern on the Hill" is also being constructed on site and will open this coming summer. Plans were recently announced for potentially over 40,000 square feet of additional retail space within the BlueStone Commons project to be constructed in later phases.

That announcement has already drawn interest from Kwik Trip, who will open eight new locations in the Duluth area in 2014, along with eight more following in 2015; one potentially within the BlueStone Commons project itself.

With 2013 just ended, Duluth prepares itself for what quite possibly could be the single most development crazed year of it's existence. These developments above that were briefly mentioned are just a taste of what's currently occurring in Duluth regarding its retail development scene. However, it's not just commercial developments taking the city by storm, but also the ever growing hospitality industry which will see the addition of three new hotels this year including a 96-room La Quinta Inn and Suites. Duluth no longer is that development-deprived, sleepy city of the north; rather it seems as if the roles have switched for a change and that Duluth is now experiencing the type of development that was up until recently thought to only have been found within the Twin Cities market. This development frenzy shouldn't be a hard transition for residents to get use to. After all, it's often easy for Duluthians to think Duluth really only has two seasons. *Winter*; and *construction*.

For more news and details, check out cdinduluth.com

Member Profiles

Tom Commerford

Paramount Real Estate Corporation

What is your primary career focus?

Investment Sales

What is your favorite Disney movie?

Mary Poppins, with my daughter.

What junk food is your weakness? Pizza

What makes you feel old? Driving through the U of M campus

What is something you have always wanted to try? Skydiving

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

A cook

What is your favorite board game? Monopoly

What is your favorite alcoholic drink? Scotch and Soda

What was your favorite toy as a kid? GI Joe

How many rings before you answer the phone? Two, it could be a deal?

What is something you said you would never do, but did anyway? Bought an SUV

How long have you been an MSCA member? Off and on 12 years



Mike Collins

Cutting Edge Property Maintenance

What is your primary career focus?

Sales / Business Development, promoting our company

What is your favorite Disney movie?

Mighty Ducks

What junk food is your weakness?

Ice Cream

What makes you feel old? Looking in the mirror at my gray hair

What is something you have always wanted to try?

Drive a race car

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

Laundry, as I've never done it, so if my wife stopped doing it I'd be screwed

What is your favorite board game? Scrabble

What is your favorite alcoholic drink? Long Island Iced Tea

What was your favorite toy as a kid? Erector set

How many rings before you answer the phone? Two

What is something you said you would never do, but did anyway? Buy a mini-van when I had young kids

How long have you been an MSCA member? Two going on three years



2014 PRESIDENT'S LETTER

Dear MSCA Members,



What's your New Year's resolution for 2014?

To increase your business? Make new contacts? Learn new concepts for personal and professional growth? I hope that MSCA is a part of your 2014 plan to accomplish your goals.

Having been involved in MSCA for many years now, I have seen the membership change dramatically as the world around us has been transformed. As we look to the future, the challenge for this organization is how to remain relevant to our very diverse membership in 2014 and beyond.

We have to ask ourselves: what are the parts of MSCA that we want to keep that work so well? It's clear to me that MSCA's networking opportunities, strong programs and robust newsletter combine to keep all of us informed about what's going on in our retail world in Minnesota.

We also have to ask ourselves: what parts of the organization do we need to look at - change and improve - so we stay relevant for as many members as we can? Reach out to me and your MSCA leadership and let us hear from you.

And of course, the value of your membership really resides with you. The more you take advantage of what MSCA has to offer, the more valuable it becomes.

So attend monthly programs and hear from our industry leaders. Find the networking events that work for you - come bowl and golf with us, or have a cup of coffee on a Thursday! Get involved in that committee that needs your perspective and talents. Write a guest article for the newsletter on a topic that you know a lot about or advertise and promote your business. There are so many ways within MSCA to strengthen your network and increase your visibility in our marketplace.

It is my honor to serve MSCA. Thank you for the vote of confidence. I look forward to a great 2014.

[Deb Carlson](#), Cushman & Wakefield/NorthMarq

MEMBER NEWS

Mid-America Real Estate - Minnesota, LLC announced that Senior Property Manager **Alan Young** has been recently promoted to Vice President of Property Management.

Mid-America Real Estate - Minnesota, LLC recently hired **Charlie Hexum** as Retail Leasing Specialist, focusing on landlord lease representation.

Kraus-Anderson Realty has named **Michael Korsh** Vice President in charge of managing all the aspects of the company's new development projects.

Steve Dombrowski of **Suntide Commercial Realty, Inc.**, recently was included in the new ICSC designation CRX. The Certified Retail Property Executive designation demonstrates a commitment to quality, performance and profitability in the senior leadership of all retailing and retail real estate industry organizations.



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Target is opening its smallest store ever, a 20,000-sf new concept called **TargetExpress** that will debut in Minneapolis' Dinkytown neighborhood. The store is described as a test by the Minneapolis-based retailer to push into denser urban areas.

The City of Brooklyn Center has acquired the largely vacant

Brookdale Square retail center for \$3.9 million, eyeing it for future redevelopment. **Brookdale Square** is the 23-acre site at the corner of Shingle Creek Parkway & Bass Lake Road. The property includes four buildings with a total of 185,000 sf of retail space, most of which is empty.

A casual sit-down restaurant, a sandwich shop, a frozen yogurt store and a coffee shop will soon be part of the SuperTarget-anchored retail center in Woodbury. **HJ Development** plans to construct two retail buildings to house Noodles & Company, Which Wich, Yogurt Lab and a Starbucks, pending final approval from the city.

Maison Darras, a sandwich and panini shop in the St. Paul skyway, plans to open a Minneapolis skyway location in Baker Center in March.

RJ's Tavern on Main in downtown Hastings has closed its doors.

Dunkin' Donuts is making another run at the Minnesota market — assuming it can find some investors to do the actual running. The Canton, Mass.-based chain wants to open as many as 15 franchises in Duluth and the Twin Cities.



Patrick's Restaurant & Bakery is now open in the Shoppes at Arbor Lakes, in what was formerly a California Pizza Kitchen.

A 1,690-sf **Caribou Coffee** located in Oakdale at the northeast corner of Highways 36 & 120 sold to a local private investor for approximately \$1.229 million.

Dunn Bros. has closed its Uptown coffee shop near

Lake Calhoun on Lake Street and is planning to open a new one a few blocks north at 2528 Hennepin Avenue South.

Starbucks signed a lease for 2,327 sf at 10880 Central Highway in Blaine.

Orangetheory Fitness has leased a 3,000-sf space at Cobblestone Lake located at 15624 Pilot Knob Road in Apple Valley.

Flooring Expo hardwood-flooring store is moving into the former Uptown location of The Running Room at 2801 Hennepin Avenue. **The Running Room** moved out of the building's 5,130-sf ground floor store at the end of 2013. It opened a new, smaller location at 1413 W. Lake Street in late October.

Rainbow Foods is closing two more stores in the north metro citing increased competition and changing consumer habits, bringing to five the number that have been shuttered in the Twin Cities over the past year. Rainbow's store on Central Avenue in Columbia Heights shut its doors for good in January, and its Brooklyn Park location will close in mid-February.

Goodthings is expanding in White Bear Lake. The veteran retailer bought the building at the corner of Fourth Street & Highway 61 and is transforming the former Sentry Systems space into a two-level store with a yoga studio in the basement. The new space will open in March or April.



The Wedge Co-op will open a cafe and pared-down grocery store a few blocks from its flagship Minneapolis location. The food co-op will move bakery and kitchen operations out of its existing store and into the new space, at 24th Street & Nicollet Avenue. The new location will feature a cafe with sit-down tables.

Mall of America restaurant **Napa Valley Grille** closed in January. The restaurant's sister location in Westwood, CA (also not the actual Napa Valley) remains open.

Former MPR host Chris Kohtz has parlayed his cheese blog's popularity into his own cheese shop, **The Wedge & Wheel**, which opened in downtown Stillwater last month. The 800-sf shop at 308 Chestnut Street East has about 60 varieties of cheese, and Kohtz aims to have a 50/50 split between American cheeses and imports.



Long-time Minnesota Thai restaurant company **Sawatdee** has closed its Uptown location and its Minneapolis skyway location. The company's six other Sawatdee locations, including a new one in Eden Prairie, remain open.

Archiver's, the popular Twin Cities-based scrapbooking chain, is calling it quits. Archiver's announced that after 14 years in business it will cease operations and close 33 stores by mid-February. That includes locations in Apple Valley, Eden Prairie, Maple Grove, Roseville and Woodbury.

National arts and craft retailer **Hobby Lobby** is pushing into the Twin Cities for the first time. The chain recently started construction on a 49,000-sf store in Woodbury, where it will fill a former Sportsman's Warehouse at Hudson Road & Woodbury Drive. It's scheduled to open February 14th. Oklahoma City-based Hobby Lobby has 578 stores in 46 states, including locations in Mankato and Rochester.

Longtime independent home and gift gallery **Three Rooms** has left the Galleria in Edina after 33 years. Another independent Galleria boutique, **Whymys**, also closed in January.

continued on next page

Uptown sushi spot **Tiger Sushi 2** has closed at the Murals building. The Uptown Tiger Sushi opened about five years ago, as the second location to the popular Tiger Sushi in the Mall of America.

Rusty Taco has ventured into the suburbs to open a third Twin Cities store. The Maple Grove restaurant opened in mid-January. The chain started in Dallas and has 11 restaurants there. The Twin Cities is the only other market with Rusty Taco locations, although the brand plans to expand elsewhere. The Maple Grove location takes the spot of the shuttered Wedgewood Wine & Spirits near I-494 & Bass Lake Road.

Buffalo Wild Wings signed a lease for 6,500 sf in Southdale Shopping Center located in Edina.

Potbelly signed a lease for 1,747 sf in **Shoppes on 101** located in Minnetonka. The 14,000-sf strip center is located at the corner of Highway 7 and County Road 101. The center also includes retailers Noodles & Co., SportClips, CherryBerry Frozen Yogurt, and Sprint.

Northstar Marketplace, a 96,356 sf shopping center located at 7876-7988 Sunwood Drive NW, Ramsey, was recently sold. The property sold for \$14,000,000 and closed on November 29, 2013. The property includes major tenants such as Coborn's, Acapulco Mexican Restaurant, Anytime Fitness and Caribou Coffee.

TJ Maxx signed a lease for 23,586 sf at Westridge Shopping Center in Bemidji. The 90,000-sf center is located at the corner of Highway 7 & Paul Bunyan Road, and is anchored by Marketplace Foods adjacent to Target.

PROMOTING DIVERSITY IN COMMERCIAL REAL ESTATE

Look around the room next time you attend a MSCA meeting – or a meeting with any of the Twin Cities commercial real estate organizations. Do the attendees reflect the demographics of the broader community?

Recognizing that diversity enhances our workforce by adding perspectives, knowledge, talent, innovation and connections that are important in this global economy, several years ago MSCA joined with a group of leaders from other real estate industry trade associations to form The Commercial Real Estate Diversity Collaborative. The group includes MSCA, BOMA Greater Minneapolis, CoreNet Global, IREM, MNCAR, MNCREW, NAIOP, and ULI and our mission is to promote diversity within our memberships, particularly with a focus on people of color and diverse ethnicities.

The Work Plan

Read this and see if you can imagine where you might fit in.

The Diversity Collaborative is in the process of forming some working groups that will include:

Communications Committee – To help prepare articles for Collaborative Member newsletters as well as for local publications such as Insight News, Minnesota Spokesman Recorder, Asian American Press, La Prensa, the Minnesota Daily, etc. and to reach out by social media to attract diverse populations into the industry.

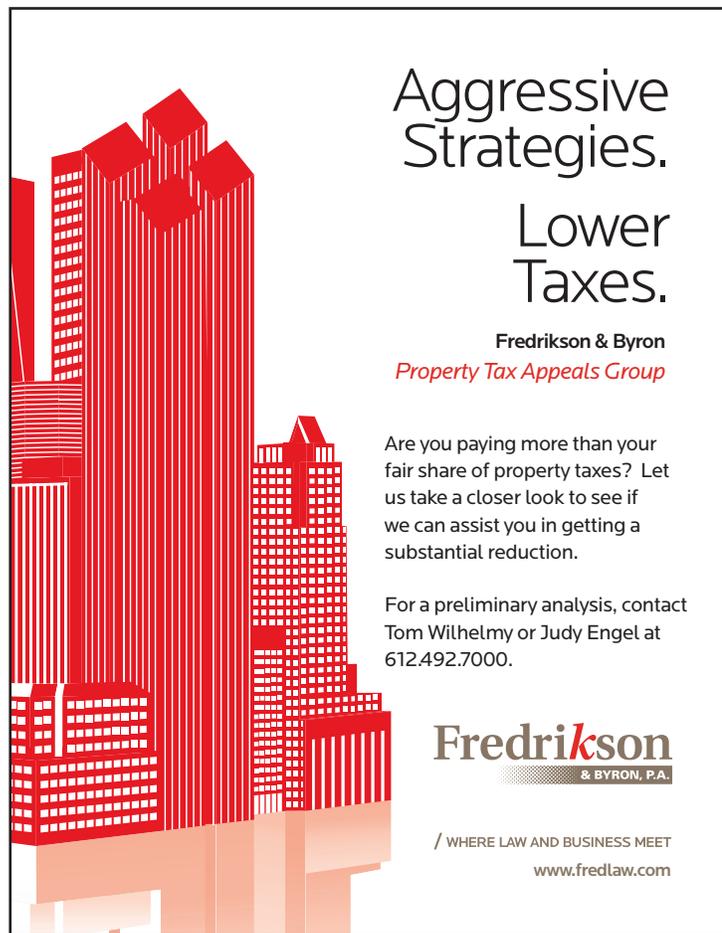
Events Committee – To seek events, such as school or community career fairs, where we can advance the Collaborative's objectives by exhibiting, speaking, etc.

Scholarship Administration Committee – To promote and administer the Collaborative's scholarships, helping to reduce the financial obstacles for those seeking the education that could help them get hired into our industry.

Outreach / Members/ Partners Committee – To seek partnerships and synergy with other organizations in the community that share a common interest in encouraging diversity in the workplace and/or job placement for the diverse population we're trying to recruit as defined by the Collaborative's mission.

How YOU Can Help

We're looking for people passionate about this initiative to serve on the Diversity Collaborative team. If you're interested, contact **Karla** in the MSCA office at 952-888-3490 for more information about the commitment.



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MSCA Events

2014 CALENDAR

FEBRUARY 2014

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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	

- Monthly Program
- Third Thursdays
- Learning Session

For more information and registration, go to www.msca-online.com

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

MARCH 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	

To view MSCA program presentations, [click here](#).

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

MEMBER NEWS

It is with regret that MSCA inform you of member Matt Drier's death. Matt died on January 14. Matt was employed with NaturalGreen Landscape Management and was an active member of the Program and Networking committees.



NEW MSCA MEMBERS

Jane Anderson, Anderson Property Management and Parkwood Properties, LLC

Peter Knudsvig, Anderson Property Management and Parkwood Properties, LLC

Kristine Johnson, Associated Bank

Danielle Carr, CBRE

Eric Sheaffer, CBRE

Cory Bultema, City of St. Louis Park

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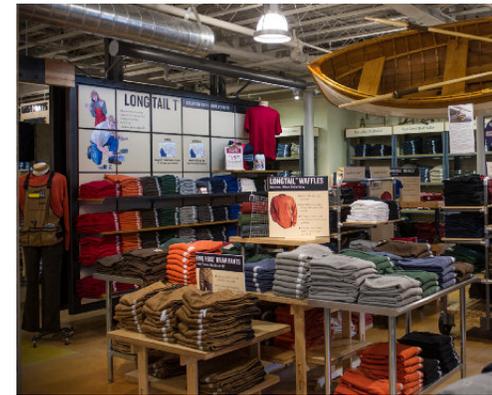


Back in 1989, when movie goers were on a last crusade with Indiana Jones and Paula Abdul was heating up the charts, two brothers in Duluth were simply trying to figure out a better way to carry all their tools to job sites. Knowing there was a better way, they invented the Bucket Boss®.



Twenty-five years later, the company started by those two brothers has evolved into the Duluth Trading Co., a popular catalog and online retailer. Now based in Belleville, Wisconsin, the retailer has been busy opening brick-and-mortar destination stores in recent years. It now has stores in Mount Horeb and Port Washington, Wisconsin, and in Bloomington, Minnesota.

The Bloomington location opened in October 2013 in a 14,000-square-foot space at 9801 Lyndale Avenue South. It is the company's largest store in size and its first to sell the complete line of men's and women's merchandise displayed in the catalog and online.



Not resting on their laurels, the retailer announced in January that they will be returning to their namesake town to open a 7,000-square-foot store in the Woodrush Building at 300 East Superior Street. Duluth Trading Co. will occupy the entire building and employ 20 to 25 people.

In an article in the Duluth News Tribune, company president Stephanie Pugliese said, "Our strategy is to do one store at a time and do them incredibly well."

While not confirming anything yet, another Twin Cities store may be next up as the Bloomington store has been well received and is doing very well.



MIXED USE: FROM START TO FINISH

The January MSCA program provided a fascinating view of mixed-use development through the eyes of three predominate players and their mixed-use projects throughout the metro. Moderating the program was Ted Abramson of CBRE. The speakers included; Dave Menke of Opus Development Company, L.L.C., Kelly Doran of Doran Companies and Tony Barranco of Ryan Companies. All three speakers did a wonderful job of providing a candid, uncensored view into a sector that is erroneous to public perception.

Dave began the program by discussing the mixed-use project he is currently working on. Nic on Fifth, a 253 residential unit project with 23,000 square feet of retail, is located across the street of the Fifth Street Towers. Occupancy for this project is set to be available starting August of 2014. Kelly very briefly touched-on Doran Companies Sydney Hall, which is a mixed-use project with 25,000 square feet of retail space. Lastly, Tony Barranco gave a detailed analysis of 222 Hennepin and The Vintage of Selby projects that are being developed the Ryan Companies. 222 Hennepin is a 580,000-square-foot project that includes 286 market rate apartments and a 38,000-square-foot Whole Food Market which opened in August of 2013. The Vintage on Selby has 208 market rate apartments and a 39,100-square-foot Whole Foods Market that will completely open in the Fall of 2015. Both Whole Foods Markets were essential components of these projects coming to fruition.

What grabbed the majority of attendee's attention was the question and answer session of the program which revealed



Speakers – left to right: Ted Abramson – CBRE, Tony Barranco – Ryan Companies US, Inc., Kelly Doran, Doran Companies, Dave Menke, Opus Development Company, L.L.C.

each of the speaker's apprehension to get involved in the vast undertaking of a mixed-use project. Each speaker discussed the critical components of these projects which includes the development of sound mechanical systems. How these systems (Heating, ventilation and air-conditioning) coincide with residents need for clean and fresh air is extremely important. Running duct work from street level restaurant space up through multiple levels of residential units is not an easy task.

Another interesting aspect discussed by the speakers was how to differentiate who maintains the different sectors of the building and how to identify and assess taxes. For that task, using a Registered Land Survey, or RLS, was recommended. A RLS provides a 3D plat that segments the building which is a key component in assessing different tax parcels. The 3D model also illustrates and distinguishes the Common Area Maintenance from residential tenant to commercial tenant.

The common theme throughout the program was how much of a pain these mixed-use projects can present a developer. From zoning with the city to structural issues of the building, there are far more moving parts than other typical developments which is why the three speakers all noted they are not standing in-line to get one of these projects started. When asked if Mixed-use development was a trend in the metro market, Kelly Doran stated very bluntly "Mixed-use development is not a trend but an application for an individual use."

JANUARY PROGRAM PROFESSIONAL SHOWCASE

Westwood Professional Services



January's professional showcase was sponsored by Westwood Professional Services, a land development consulting firm that's been serving commercial and residential clients since 1972. The experts at Westwood make even the toughest jobs easy for you.

UPCOMING PROGRAM: FEBRUARY 5

Post Holiday Shake-Out:

Who Won, Who Lost, and What Does It Mean for 2014?

Register [here](#).

Hot Topic

LEARNING SESSIONS: WHAT THEY ARE AND WHY SHOULD YOU ATTEND?

Have you heard about those Learning Sessions MSCA puts on, but been wondering what they are or what they focus on? Confused as to what the difference is between a monthly program and a learning session? You aren't alone and we are here to give you the details about them and why you should be attending.

Learning sessions are held four times a year and are smaller educational sessions with an estimated 30 in attendance, which allows for a much more narrow focus of topics. In addition, a full breakfast is included in your registration.

For example, this past August, we took an on-site tour of the new Shingle Creek Crossing and learned of the opportunities in Phase II. In October, Tom Jaeb and George Warner gave us a micro-level understanding of finding the money throughout the leasing process. The October session was so well

received by those in attendance, Tom and George will be coming back to give a second session this year, while covering many more topics they were not able to address.

Learning Sessions are designed to help you grow as a professional by either gathering new information or brushing up on a topic you may already know. Please join us at the first Learning Session of the year on [February 25](#).

SAVE THESE DATES

Upcoming Learning Sessions:

- **February 25 – Peter Coyle: Local Government Entitlement Issues.**
Click [here](#) to register.
- **April 22 – Tom Jaeb & George Warner: Finding More Money**
- **August 19 – TBA**
- **October 21 – TBA**

CONTINUING EDUCATION FOR PROPERTY MANAGERS!

The Benefits of a Well Maintained Building

Panel Experts Discuss Building Envelop Maintenance, Roofing, Insulation and more!

4 Credits, \$30

Tuesday, February 11, 2014

Buck Hill Ski Event Center, Burnsville

Thursday, February 13, 2014

Jimmy's Event Center, Vadnais Heights

8:00 AM – 12:00 PM (4 Credits)

Panel Discussion

Listen to a panel of experts discuss the relationship between proactive maintenance programs and repair cost over time. Some maintenance activities offer a high return on investment. All aspects of the building envelope require some type of upkeep. There are routines that can be done easily by a property owner or manager but some work will require professionals.

This course will examine commercial and multi-housing buildings and what typical maintenance should be done regularly. Well maintained buildings save a lot of money in the long run and translate to fewer property claims and reduced liability exposure.

Pam Jergenson of Inspec, Terry Thone of Roof Spec, John Heisler, of Greener World Solutions, Jim Stoops of Cunningham Lindsay, and Bob Smith of BELFOR will talk respectively about the building envelop, roofs, insulation, insurance adjustment, and restoration.

To register, contact Larry Borgen at larry.borgen@us.belfor.com or at (952) 463-6990.

This event is sponsored by BELFOR Property Restoration, an MSCA Member.

MN 1015180

THIRD THURSDAYS

Next Meeting: Thursday, February 20

Time: 8:30 am – 9:30 am

Where: Starbucks – Hwy 55, Golden Valley

Greeters:

David Eddy – Prescription Landscape

Mark Robinson – 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.

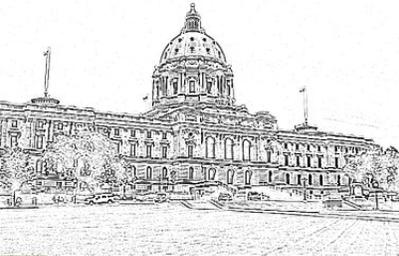


2014 LEGISLATIVE SESSION

by **Sonnie Elliott** Faegre Baker Daniels LLP



The 2014 legislative session begins on February 25. Although this is traditionally the shorter year of the two-year biennium, this is a particularly late start. The legislature must adjourn by May 19, so that leaves twelve weeks to get all of the state's work done.



The November economic forecast projected a \$1 billion surplus for the remainder of the biennium. After paying back the school shift and the airport's fund, the projected revenue surplus is closer to \$825 million.

The 2013 legislature passed several sales tax extensions to business services. These new taxes affect

the following business services: repair and maintenance of commercial equipment, purchases of telecommunications services and storage and warehouse services.

The Governor has indicated he would like to repeal the three business taxes, at a cost of approximately \$241 million dollars. The House is also interested in eliminating the taxes, but the Senate does not seem as inclined to reverse the sales tax expansion as they were most supportive of the inclusion of the expansion at the end of the 2013 session.

With the large surplus, we can also expect to see proposals to spend more money on a variety of education and human service related programs.

MSCA Issues

Despite the session's brevity, there are a number of issues MSCA is interested in that may be taken up during the session.

MSCA opposes the following:

- Property Tax Increases
- Imposition of a new street improvement fee

MSCA will support the following:

- Repeal of the business to business sales tax increases
- Reasonable increases in funding for transportation projects

Overall, with the help of the legislative funds generously given by our members, the legislative committee and MSCA look to make an impact on these issues to improve and strengthen our industry.

SAVE THE DATE FOR THESE UPCOMING LEGISLATIVE EVENTS

- Feb 6 – District 33 Legislative Coffee
- Feb 21 – District 61 Legislative Coffee
- March 19 – Business Day at the Capital



24 Hour

Emergency Services



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Water Main Breaks

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Hot App

EXPENSIFY

Hate trying to track all of your receipts while you travel for business? Keeping track of every receipt is a hassle, but also harder than you think. Most companies



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require you to expense items you purchase, and you are surely required to submit receipts for those expenses. Expensify is a great solution to this as it manages all of your expenses while on the road. By syncing your credit and/or debit cards to the app, or taking a photo of cash receipts, Expensify can track each expense and even compile it into an expense report for you. The app auto-fills all necessary information into the report, allowing you to focus on your actual work or giving you more free time. This app doesn't cost a dime and is available on Android, Blackberry, iOS and Windows.

Have an app that you use all the time and want others to know about it as well? Contact the MSCA staff!