

In this Issue

2011 Trends FEATURE 1
 Dogwood Coffee RISING STAR 3
 Legislative COMMITTEE CHAT 3
 Muelken/Naill MEMBER PROFILES 5
 STARRSM Power PROGRAM RECAP 6



FEATURE by Natina James, DLR Group KKE

CONSUMER AND RETAILER TRENDS FOR 2011

John D. Rockefeller once declared, "If you want to succeed, you should strike out on new paths, rather than travel the worn paths of accepted success." The successful retailers of 2011 will be forced to travel new paths due to the recession. Most retailers have taken the most common paths to improving their businesses such as reducing square footage, closing under-performing locations and improving their bottom line by managing inventories, and other expenses. What will they do in 2011?

Consumers have changed too. The time of over-consumption has passed. Customers remain cost conscious due to "unemployment, rising gas prices, limited credit and home equity, and low overall consumer confidence rating." They will make "mindful choices" seeking out deals and seeing "value" in what they purchase.

Retailers must innovate to capture business in today's shopping environment. The innovators will be able to capitalize on the recovering market and weakened competition. What trends should we be watching for 2011?

CONSUMER TRENDS

1. Consumers Are In Control. "It's all about the power shift first from manufacturers to retailers, and now to consumers, and how (as *US Wired* magazine puts it) 'shoppers are beating retailers at their own game'." Customers communicate with each other. Don't be afraid that one dissatisfied customer will tell a few friends. Be afraid they will tell it online utilizing "social media." "Now through social media sites, they can tell seven million people. On the flip side, raving fans can be your biggest source of new business as they tell everyone how great your company is."³

2. Tracking Inventory and Price. Customers also know if you have it on the shelf and what price it is. Companies like Milo.com track 3 million products in 52,000 stores. There are numerous smart phone apps such as Shop Savvy which allow your customer to scan a product's barcode and find the cheapest price online.

3. Value and Values. Customers are demanding that retailers not only offer value, but espouse value like →

MSCA "THIRD THURSDAYS"

Who: MSCA members and their colleagues

What: Casual networking hosted by MSCA members

When: Third Thursday of every month from 8:30-9:30 am

Where: Different locations throughout the Twin Cities—watch the MSCA newsletter and website for locations

Why: Create synergy in the commercial real estate industry—share ideas and stories and make new effective relationships

Next meeting: Thursday, **March 17, 2011** at **Starbucks** – Hwy 55 and NW Boulevard (2661 Campus Drive, Plymouth 55441). MSCA member hosts include **Steve Day, J.L. Sullivan Construction, Brad Kaplan, NorthMarq, and Deb Carlson, Cushman & Wakefield of Minnesota**

There is no fee for this event. Food and beverage are not included. RSVP to Stacey at sbonine@msca-online.com is preferred, but not required. Hope to see you there!



MARCH 2011						
SUN	MON	TUES	WED	THURS	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		

2011 Trends - continued

environmental and social responsibility. Retailers beginning to understand this include Patagonia, Uniqlo, Timberland and even Walmart. There's even a new concept called "The Ethical Man" which features 100% vegan and eco-friendly products.

4. Instant Gratification. We all have had to adjust our businesses to understand and adapt to the working pool of the X and Y generations. Now retailers must do so. Customers expect service or access to retailers 24/7. The time in which to resolve problems is getting smaller. They expect a resolution the same day. Real-time chat with a customer service representative is expected. What about video chat? This can stress a company's infrastructure and profitability. One surprising turn on the customer—companies may begin to "fire" customers or adjust their target consumer to stay with a highly profitable group. *The Wall Street Journal* reported that, in 2009 Black Friday sales, 0.1% utilized mobile phone technology while shopping. This year it was 5.6%, an increase of 50 times.⁴ The consumer will shop when and where they want, including in-store commerce, e-commerce, m-commerce (mobile), f-commerce (Facebook), s-commerce (social), and v-commerce (video enabled – You Tube).

5. Customers Love "Personalization." A few stores testing this market include Nike in Tokyo and Anya Hindmarch Bespoke in London. It was estimated that 60% of the shoes and apparel on sale in Nike were customizable. Adidas allows you to "customize your stripes" while shopping online. An online shoe retailer called Milk and Honey lets you choose the silhouette (heel or flat) and customize everything including color, material, and embellishments. Car companies have also taken advantage of this trend such as Toyota with their Scion model line and BMW's Minis.

RETAILER TRENDS

How are retailers adapting, innovating and taking advantage of 2011 and beyond?

1. Social Media Monitoring. Retailers should know what their customers are saying so they may respond. As discussed previously, customers talk. New software is available

for retailers such as Flowtown which lets you insert your customer's name or email and identify their social networks. IBM has a new social media monitoring tool that allows companies to view customer opinions from several social media websites. It is called the *SPSS Modeler* and analyzes everything from product names and industry jargon to slang.

2. Social Media Marketing. Retailers can also increase sales by knowing how to "reach" their customers on social media. Local restaurateur, Punch Neapolitan Pizza, recently sent out a coupon blast via email, Twitter and Facebook offering a coupon for a free Wisconsin brew with a purchase of a pizza. The coupon read "Make the Packers win easier to swallow."

3. Shopping Experience.

Retailers may combat the internet shopping experience by creating their own shopping experience and providing exceptional service. Retailers that have found success with this model include Apple and Brookstone. Another example is the Mall of America's new South Boulevard Renovation for a "high-end" shopping

district. They plan to renovate all other sides within the next few years to stay fresh and keep their customers returning.

4. It's All About The Boomers. Minnesota's demographics are shifting to an inverse pyramid with boomers on top for the first time in history. "The nation-wide 76 million strong" baby boomer set make for huge opportunities in housing, shopping, sales and tech-support and service. "A recent study by the Center for Work-Life Policy found that 62% of working boomers expect to stay in the labor force for at least nine more years, and that by 2020, 80% of North American-born workers will be older than 50."⁵ Retrofitting homes for ease of use, safety and accessibility will be a huge opportunity, as well as aging facilities.

5. Energy Efficiency. Home improvements will move toward energy efficiency. The tax credit for replacing inefficient windows with high efficiency units has been renewed for 2011. Look for others' home tax credits to be renewed too. According to *IBISWorld*, home improvements are up 5% from 2009 already this year, totaling \$117.6 billion in 2010 to a projected \$133.7 billion in 2011.

continued on page 7 →

2011 SPONSORS

ACI Asphalt Contractors, Inc.
American Engineering Testing, Inc.
Aspen Waste Systems, Inc.
Bremer Bank, N.A.
Brookfield
CB Richard Ellis
CSM Properties
Chuck & Don's Pet Food Outlet
Doran Construction
Faegre & Benson LLP
Fendler Patterson Construction, Inc.
Fredrikson & Byron, P.A.
Gray Plant Mooty
Great Clips, Inc.
H.J. Development, Inc.
Inland Real Estate Corporation
Jones Lang LaSalle
Kraus-Anderson Companies
Larkin Hoffman Daly & Lindgren Ltd.
Lawn Ranger
Leonard, Street and Deinard
M & I Bank
MFRA, Inc.
McGladrey
Messerli & Kramer P.A.
Mid-America Real Estate –
Minnesota, LLC
Midwest Maintenance &
Mechanical, Inc.
Minneapolis/St. Paul Business
Journal
Minnesota Real Estate Journal
NorthMarq
Oppidan, Inc.
The Opus Group
Paster Enterprises
RLK Incorporated
Reliable Property Services
Reliance Development Company, LLP
Robert Muir Company
Ryan Companies US, Inc.
TCF Bank
TCI Architects/Engineers/
Contractor, Inc.
Target Corporation
U.S. Bank
United Properties
Venture Mortgage Corporation
Wells Fargo Bank, N.A.
Welsh Companies
Westwood Professional Services, Inc.
Wipfli LLP-CPAs & Consultants



Happy
St. Patrick's Day!

FEATURED SPONSORS

American Engineering Testing, Inc.

The industry leader clients trust.

Fredrikson & Byron, P.A.

"Where law and business meet."

MFRA, Inc.

With our focus on service, quality, integrity, and relationships, MFRA brings value and success by practicing "innovation beyond design" and by striving to be the best company to work for and work with!

The Opus Group

Driven to create great buildings, The Opus Group listens to and collaborates with clients, provides consistent service, and delivers buildings that align with the vision of its customers.

U.S. Bank

U.S. Bank Commercial Real Estate Division offers the industry's best line-up of innovative products and services. We cater to all commercial real estate clients ranging from local developers to national investors. U.S. Bank Commercial Real Estate is strong, safe, and capable of delivering the financial solutions you deserve.

DON'T FORGET

Daylight Savings Time is Sunday
March 13, 2011

RISING STAR by Eric Tuck, McGladrey

DOGWOOD COFFEE CO.

One visit to Dogwood Coffee Co. and you'll know—not all coffee shops are created equal. Founder, Greg Hoyt, and partner, Dan Anderson, have created a special place for the coffee purist or anyone willing to experience coffees from around the globe.

Dogwood Coffee Co. is part of what is called the "Third Wave of Coffee," a term referring to production of high-quality coffee through improved bean growing, harvesting and processing; higher quality roasting; and highly skilled brewing. The unique shop opened in its new home in Calhoun Square on November 4, 2010, having moved from Rustica Bakery in Minneapolis.

At Dogwood, you will experience skilled brewing first hand. Two competition-level baristas work right in front of you—showing the unique brewing techniques. The first barista is in charge of coffee selections and uses a machine called the Clover which is the most expensive coffee brewer in the world. The other makes espresso drinks using a Nuova Simonelli Aurelia, another piece of

top-of-the-line coffee equipment. The appeal of these high-quality machines attracts top barista talent to Dogwood.

You won't find Venti's or extra-large mega cups at Dogwood—they serve only one size per drink type.

According to Hoyt, a cup of coffee tastes best when it's served in a ten-ounce cup, while a cappuccino is best at six ounces. Hoyt believes multiple size selections are inconsistent with what coffee is all about.

He compares it to experiencing unique wines.

Word of Dogwood's high-quality coffee has spread among local restaurateurs, as numerous upscale eateries such as Alma, Corner Table and Heartland now carry Dogwood coffee. In addition, Hoyt is looking to open another shop in the 612 area code. His goal is to further extend the reach of Dogwood's passion and expertise to coffee lovers in the Twin Cities.

www.dogwoodcoffee.com



COMMITTEE CHAT

The Legislative Committee is gearing up for Business Day at the Capitol and we encourage you to get involved! Come join our united effort on **March 16** to support the job creators and the general business community, including your clients and tenants, against increasing property taxes and other public policy issues that impact all of us in the retail real estate industry.

LEGISLATIVE

If you sign up before March 4, MSCA will cover your registration fee and will set up meetings on your behalf with your representatives. Also you can get continuing real estate education credits (1.0 credit pending approval) for your participation at this **FREE** event.

The morning session of Business Day at the Capitol begins with registration at 7:30 am at the Crowne Plaza St. Paul-Riverfront Hotel. At 8:00 am legislative leaders provide a 2011 session update, 8:30 am MSCA/NAIOP/BOMA/CCIM will host our own briefing session before we all get on the shuttle busses to the Capitol at 9:35 am. After meeting with your legislator(s) mid-morning the buses will bring us back to the Crowne Plaza for the special luncheon address at 12:00 pm.

Business Day at the Capitol is a great way to get involved, share your concerns and ideas with those who represent us in office and grow relationships within MSCA.

If you have any questions please contact one of the co-chairs of the MSCA Legislative Committee, Jack Amdal at jamdal@mchsi.com or Leah Truax at leah.truax@northmarq.com. Registration forms are available on the MSCA website under events and then click on calendar. Hope to see you all there!

EVENTS

- Mar 2 **Trends**
- Mar 16 **Business Day at the Capitol**
- Mar 17 **Third Thursdays Networking**
- Apr 6 **Economic Outlook**
Afternoon Program
- Apr 21 **Third Thursdays Networking**
- Apr 28 **Bowling for Backpacks**
- May 4 **Development/
Redevelopment**

For more info, please log on to
www.msca-online.com

2011 LEADERSHIP

OFFICERS

President

Peter J. Berrie, Faegre & Benson LLP

1st Vice President

Paula Mueller, Northtown Mall/Glimcher Properties

2nd Vice President

Ronn Thomas, NorthMarq

Treasurer

Eric R. Bjelland, NorthMarq

Secretary

Dana Andresen, Chuck & Don's Pet Food Outlet

DIRECTORS

Tony A. Barranco, Ryan Companies US, Inc.

John Dietrich, RLK Incorporated

Jen Helm, NorthMarq

Andy McDermott, Shea, Inc.

Robert B. Pounds, Welsh Companies

Hans A. Rasmussen, Robert Muir Company

Jeffrey R. Wurst, Caribou Coffee Company, Inc.

Immediate Past President (as Director):

Stephen H. Eggert, Target Corporation

COMMITTEE CHAIRS

Golf

Ryan Burke, Kraus-Anderson Companies

Cindy Weber, Engelsma Construction, Inc.

Learning Session

Will Matzek, Kimley-Horn and Associates, Inc.

Cindy MacDonald, Kraus-Anderson Companies

Legislative

Jack Amdal

Leah Truax, NorthMarq

MSCA Cares

Zachary Stensland, Welsh Companies

Herb Tousley, Exeter Realty Company

Newsletter

Andy McDermott, Shea, Inc.

JoAnn Maloney, Fredrikson & Byron, P.A.

Program

Tom Goodrum, MFRA, Inc.

Tom Moore, HTG Architects

Retail Report

Janet Goossens, Kraus-Anderson Companies

Michael Broich, Target Corporation

Sponsorship

Janele Taveggia, LEO A DALY

Shelly Muelken, Marketplace Commercial

STARRSM Awards

Tony A. Barranco, Ryan Companies US, Inc.

Derek Naill, Associated Bank

Technology

Jase Stumph, LS Black Constructors, Inc.

Mark Robinson, Paster Enterprises

STAFF

Executive Director

Karla Keller Torp

(P) 952-888-3490 (C) 952-292-2414 (F) 952-888-0000

ktorp@msca-online.com

Associate Director

Stacey Bonine

(P) 952-888-3491 (C) 952-292-2416 (F) 952-888-0000

sbonine@msca-online.com

Executive Assistant

Danielle Pelton

(P) 952-345-0452 (F) 952-888-0000

dpelton@msca-online.com

MN MARKETPLACE

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

- **Urban Tri** is opening at 50th Street and Bryant Avenue South in South Minneapolis this March, specializing in products for the triathlete.
- **Famous Footwear** has signed a new lease at Tamarack Village in Woodbury and it's expected to be open in early April.
- **Masu Sushi & Robata**, with a menu designed by award-winning chef Tim McKee, is opening in Northeast Minneapolis in March.
 - In St. Cloud, **White Castle** opened in February in a former Embers location on Division Street.
 - In Waite Park, **Texas Roadhouse** is under construction next to Home Depot on 2nd Avenue, with a projected opening of March 28.
- **Tangletown Gardens** on Nicollet Avenue in South Minneapolis, will open a restaurant across the street in the former Liberty Frozen Custard this spring. It will feature produce from Tangletown's plant farm, which is located north of the Twin Cities, and will emphasize a local-foods theme.
 - After 38 years, **Pearson's Edina Restaurant** has closed. No more lutefisk, potato lefse and Swedish meatballs. The new owners plan to divide the space. In February, one side reopened as **50th Street Café** and serves breakfast and lunch, including the five top-selling dishes on the Pearson's menu. In May, the other side will reopen as a separate restaurant.
 - Industry veterans Heather Bray and Jodi Ayres opened **Lowbrow**, a hip new restaurant on Nicollet Avenue in South Minneapolis.
 - **Wild Bill's Sports Saloon** opened in February in the former Major's Sports Café space in Club West Plaza in Blaine.
 - **Quetopia BBQ** opened in Eden Prairie off Shady Oak Road in the same retail development as Scoreboard Bar and Grill.
 - **Ultimate Electronics Inc.**, a Colorado-based home electronics retailer that recently filed for bankruptcy, has begun liquidating 46 locations nationwide, including six in the Twin Cities.
 - **Adogo Pet Hotel**, an upscale pet hotel and pet daycare center opened in Minnetonka in February. Adogo consists of 93 rooms for overnight stays including 5 luxury suites complete with webcams.
 - **Inside Edge Golf**, an 8,000 sf indoor golf practice facility opened in January in Prairie Village, a Kowalski's-anchored center on Highway 5 in Eden Prairie.
 - **Pro Cuts**, a men's sports-themed hair care concept is being rolled out by Regis Corporation, and a location at 8097 Wedgewood Lane in Maple Grove opened in February.
 - **Christopher and Banks** and **Diva Nail Salon** are opening stores in the Yorkdale Shoppes Cub Foods center in Edina.
 - **IHOP** has opened at St. Anthony Village at 3701 Stinson Boulevard NE in the space previously operated by Bakers Square.
 - **Totally Tan** has opened in Silver Lake Village shopping center in St. Anthony.

MESSERLI & KRAMER



We do more.

Messerli & Kramer Real Estate attorneys are problem solvers and forward thinkers – completely dedicated to collaborating with clients to get deals done, regardless of the economic climate. We're successful in the retail arena because we understand the business. Our track record proves it: we have represented the owners of some of the most significant shopping centers in Minnesota.

To learn more about the added dimension Messerli & Kramer brings to its clients, contact one of the retail real estate team: Paul Anderson, Michelle Jester, Creig Andreasen, Brett Perry, Erin Mathern and Mary Anderson.

612.672.3600.



Added dimension





ARE YOUR PROPERTY TAXES TOO HIGH?



If you own or lease retail property, your property taxes may be too high.

Let us do a **FREE** review of your property tax assessment. If the assessment is too high, we will relentlessly pursue its reduction, which may result in significant property tax savings to your company. Both contingent and hourly fee arrangements are available.



We have substantial experience handling Minnesota property tax appeals involving the following types of property:



- Super-Regional Shopping Centers
- Regional Shopping Centers
- Community Shopping Centers
- Neighborhood Shopping Centers
- Anchor Department Stores
- Big Box Retail Stores
- Restaurants
- Bars
- Urban Retail Properties



LAW OFFICES OF NICHOLAS A. FURIA, PLLC
MINNESOTA PROPERTY TAX APPEALS™

12700 Anderson Lakes Parkway
Eden Prairie, Minnesota 55344-7652

952.960.2820 | www.nfurialaw.com



Bowling for Backpacks

MSCA MEMBERS AND GUESTS WELCOME!



Thursday, April 28, 2011 3:00-6:00 pm

3:00 registration & practice game • 3:30-5:30 two games begin & pizza buffet • 5:30-6:00 awards
 Brunswick Zone • 7545 Brooklyn Park Blvd. • Brooklyn Park, MN 55443 • 763-503-2695

Registration Forms Due April 15, 2011

Price includes two games (plus practice game), shoes, pizza buffet, Caring Tree contribution & networking!

<p><input type="checkbox"/> Team of 4 bowlers: \$200</p> <p>Team name (optional): _____</p> <p>1) Name _____ Company _____ Phone _____ Email _____ <input type="checkbox"/> Strike Pot: \$10/entry</p> <p>2) Name _____ Company _____ Phone _____ Email _____ <input type="checkbox"/> Strike Pot: \$10/entry</p> <p>3) Name _____ Company _____ Phone _____ Email _____ <input type="checkbox"/> Strike Pot: \$10/entry</p> <p>4) Name _____ Company _____ Phone _____ Email _____ <input type="checkbox"/> Strike Pot: \$10/entry</p>	<p><input type="checkbox"/> One bowler: \$50</p> <p>We'll match you up with a team to play on!</p> <p>Name _____ Company _____ Phone _____ Email _____ <input type="checkbox"/> Strike Pot: \$10/entry</p>
<p><input type="checkbox"/> Not bowling: \$25</p> <p>Join us for the pizza buffet and networking!</p> <p>Name _____ Company _____ Phone _____ Email _____</p>	
PRIZES AWARDED FOR CREATIVE TEAM ATTIRE!	

Lane Sponsor \$50 (deadline: April 1)
If you would like to sponsor a lane, you will receive exposure for your company.

- Number of lanes to sponsor _____ (First come, first serve; limited spaces available.)
- How would you like your company name listed? _____

STRIKE POT – \$10 TO ENTER



Rules: If you roll a strike, you will be entered into a drawing. After the games, a strike off will take place. The person whose name is drawn will have one chance to roll a strike. Names will continue to be drawn until a strike is rolled and someone wins 4 Twins Tickets (estimated value = \$178). All monies raised will benefit The Caring Tree. **SPONSORED BY MID-AMERICA**

Return Payment Made Payable to The Caring Tree Amount \$ _____ Check # _____ Visa/Mastercard

Name on Card: _____

Billing Address: _____

City, State Zip: _____

Card Number: _____

Exp. Date: _____ **CVV Code:** _____ **Signature:** _____

8120 Penn Avenue South, Suite 464 Bloomington, MN 55431 phone (952) 888-3490 fax (952) 888-0000

MEMBER PROFILES

Shelly Muelken

Marketplace Management/
Marketplace Commercial



Primary Career Focus: Commercial Real Estate Sales, Leasing and Property Management

Hometown: Prior Lake

Family: Husband Dave, 2 daughters McKenzie (14) and McKayla (12)

Hobbies: Waterskiing, scrapbooking

Very First Job: Registered trap and skeet puller at Minneapolis Gun Club

Dream Job: Selling ocean front properties

Secret Talent: Shooting trap and skeet

Favorite Food: Ruth's Chris Filet Mignon

Favorite Book: *Water For Elephants*

Favorite Movie: *On Golden Pond*

Favorite Quotes: "Life is not measured by the breath you take but by the moments that take your breath away." and "A perfect day at the cabin is having nothing to do and all day to do it."

Favorite Place Traveled: Alaska

MSCA Involvement: Sponsorship Committee Co-Chair

Derek Nail

Associated Bank



Primary Career Focus: Commercial Real Estate Lending

Hometown: Grew up in Burnsville / Live in Apple Valley

Family: Daughters: Kaelyn (9) and Megan (6), Dogs: Fletch (13) and Dexter (2)

Hobbies: Playing with my girls and boys (dogs), watching and playing sports, reading, swimming, yoga

Very First Job: Refereeing soccer and hockey

Dream Job: General Manager of the Vikings

Secret Talent: Aviation/Airplane knowledge

Favorite Food: Seafood pasta

Favorite Book: *The Big Short* by Michael Lewis

Favorite Movie: *Fletch*

Favorite Quote: "Can I borrow your towel? My car just hit a water buffalo." ~Fletch

Mentor: Kent Carlson

Favorite Place Traveled: It's a tie: Alaska (cool) and St. Croix, Virgin Islands (warm)

MSCA Involvement: STARRSM Awards Committee Co-Chair

NEW!

MSCA ROLLS OUT NEW INTERN/ STUDENT RATE FOR MSCA PROGRAMS

Do you employ an intern or know of a student who is interested or considering a career in retail real estate? If so, MSCA wants you to invite them to join us at our monthly programs to network, learn more about MSCA and the industry. Interested interns, graduate and undergraduate students are welcome to attend our monthly programs by registering at the rate of \$30 (with the exception of Retail Report and STARRSM Awards).

Call the MSCA office at (952) 345-0452 to register at the intern/student rate.

NEW MEMBERS

Lisa Crain

RED Development

Laurie Mordorski

RED Development

Jean A. Beupre

Schafer Richardson

Greg LaMere

Metro Equity Management LLC

Jeremy Thompson

Xcel Energy

Eric Fischer

Midwest Maintenance & Mechanical, Inc.

Joe Larson

Managed Services Inc.

Bobby Jensen

Lawn Ranger

Kelli Hoskins

ActionCOACH MetroNorth

Kevin Wozny

Prescription Landscape

Rob Goggins

Great Clips, Inc.

Joy Orvis

ActionCOACH MetroNorth

Kevin P. Beumer

Doody Mechanical

Mary Jo Kelly

Kraus-Anderson Companies

Hamilton Girard

Asphalt Associates Inc

Patrick J. Hart

Real Estate Equities

Jon Donovan

Locks Associates

STARR_{SM} POWER: THE TALE OF THREE WINNING PROJECTS

The MSCA February program featured three winning projects from the MSCA STARR_{SM} Awards:

1. Eagan Promenade Place presented by David Carland of Stonehenge USA (winner *Design and Aesthetics, Renovation/Remodel Exterior, Retail under 25,000 sf*)
2. Mendota Plaza presented by Kenneth Henk, Paster Enterprises (winner *Design and Aesthetics Renovation/Remodel Exterior, Retail over 25,000 sf*)
3. Sydney Hall & Dinkydome presented by Kelly Doran, Doran Construction (winner *Redevelopment & Mixed Use*)



David Carland, Stonehenge USA
Kelly Doran, Doran Construction
Kenneth Henk, Paster Enterprises
Doug Sailor (moderator), Mid-America Real Estate - Minnesota, LLC

Eagan Promenade Place highlighted the challenge and success of repositioning a 20,000-sf Ethan Allen into 14,000 sf of inline retail featuring Panda Express, Verizon Wireless, Pearle Vision, Smash Burger, Sport Clips and Solos Pizza. Store depths had to be reduced from 120 feet to 80 feet by chopping off the front of the former Ethan Allen. The project had an amazingly short timeline, which started with a lead at the 2009 MSCA Golf Event!



Mendota Plaza, located at Highway 110 and Dodd Road, involved the redevelopment of a 60,000-sf retail center built in 1971 that had not had a facelift since 1989. The planning process for redevelopment began in 2005 and involved heavy input from the City of Mendota Heights, environmental issues, wetland mitigation, drainage ditch issues, MnDOT approvals, and other entitlement issues. After five years, the project received final approval in April 2010. Because of the recession, Phase I of the project was scaled back and is now complete, featuring Walgreens, Anytime Fitness, Tuesday Morning and the retention of existing tenants including Subway and St. Croix Cleaners. Keys to success were phased demolition and constant communication with existing tenants (who were able to remain open during construction), high quality materials, and breaking up a vacant big box into three smaller shop spaces. The entire project, when complete, will feature 80,000 sf of retail, 60,000 sf of office and 100,000 sf of residential.



Sydney Hall & Dinkydome involved the redevelopment of the iconic Dinkydome in the heart of the U of M campus. The site was acquired in August 2008—just before the near collapse of the financial markets. The plan at that time was to build a 14-story building on the site next to the Dinkydome with CVS on the ground floor and the U of M leasing two floors for office use. After the financial markets collapse, all of those partners were gone and the project was 80% vacant (in anticipation of the redevelopment). With incredible nimbleness, the plan was changed to a 6-story building with 125 units of student housing and 134 stalls of underground parking. Construction was completed in August 2010 and the project, both residential and commercial components, is 100% occupied (with CVS back in the fold as a 11,500 sf tenant). During the question & answer session, Kelly Doran explained that Sydney Hall was named after his daughter and, in a cooperative arrangement with the University, cannot be renamed unless a certain percentage of the project's sale proceeds are donated for breast cancer research.



Three projects with three unique stories of success following very different paths.

FEBRUARY 2011 PROFESSIONAL SHOWCASE



Lawn Ranger

The Lawn Ranger provides full service commercial and residential grounds maintenance, landscaping, irrigation, holiday décor, and snow and ice management services throughout the Twin Cities. The Lawn Ranger promises attention to detail, skillful work, and unmistakable value. They make it easy.

SMALL TALK

NETWORKING TIP



Networking Tip #3

Visit as many groups as possible that spark your interest. Notice the tone and attitude of the group. Do the people sound supportive of one another? Does the leadership appear competent? Many groups will allow you to visit two times before joining.

Source:
www.strategiesforchange.com

2011 Trends - continued from page 2

6. Men's Lifestyle Market. You've heard of Cosmo Kramer's Invention #8, the Manzier? It may not be today's hot mancessorie, but the men's lifestyle market is booming. Some of today's biggest hits include online newsletters and websites like *UrbanDaddy* and the *Thrillist*. Both have subscribers of over 2 million. Retailers beginning to explore this concept include Ruins, Coach and J. Crew, all of which have opened a "Men's" concept.

7. Group Buying. An innovative approach to reaching customers is social group buying websites. "In the past few years, more than 50 million Americans have signed up for a "daily deal" or "group coupon" site."⁶ Retailers agree to discount services or products if a minimum number of items are sold (although some websites do not require minimums). Discounts typically range from 50-90% off regular retail prices. Popular sites include Groupon, LivingSocial, Bloomspot, and BuyWithMe.

LOOKING FORWARD

So, double dip recession? Unemployment? My 2011 New Year's resolution was to maintain a positive attitude. The retailers' world is brimming with potential, as long as they're willing to look, listen and act. As Socrates said "Let him that would move the world, first move himself."

1 risnews.edgl.com/print?printpath=/RIS/Feature-Article/Trends...
2 www.insideretailing.com.au/Latest/tabid/53/ID/9771/Top-11-Retail-Trends-for-2011.aspx
3 smallbiztrends.com/2010/12/eleven-customer-service-trends-2011.html
4 www.insideretailing.com.au/Latest/tabid/53/ID/9771/Top-11-Retail-Trends-for-2011.aspx
5 entrepreneur.com/article/printthis/217508.html
6 www.washingtonpost.com/wp-dyn/content/article/2011/01/15/AR2011011500297.html

MEMBER NEWS

Johansson Named Broker Of The Year. The Minnesota Commercial Association of Realtors (MNCAR) awarded Welsh Companies' Senior Vice President John Johansson with their highest honor, Broker of the Year.

Austin Joins Towle. Towle Financial Services announced the addition of Peter C. Austin to its loan origination staff.

Igo Named President of MNCAR Exchange Board. Tim Igo, Senior Associate at Suntide Commercial Realty, Inc. has been named the new President of the Minnesota Commercial Association of Realtors (MNCAR) Exchange Board.

The Caring Tree elected its new officers on February 1, 2011. As President, **Matt Rauenhorst**, The Opus Group; as Vice President **Jennie Zafft**, Cousins Properties, Inc. and as Treasurer/Secretary **Karla Keller Torp**, Minnesota Shopping Center Association/The Caring Tree.

New Caring Tree Directors include: **Wendy Aaserud**, NorthMarq and **Teri Whiting**, Robert Muir Company. Remaining Caring Tree Director includes: **Mary Anderson**, Messerli & Kramer, P.A.

DEDICATED TO PROVIDING NEEDED GOODS AND SERVICES
TO COMMUNITIES SINCE 1946
Call Lisa Store: 651.646.7901



We know retail.

Minnesota's finest commercial, retail and mixed use centers are already **in the bag**.

- The Shops at West End
- Arbor Lakes
- Excelsior and Grand
- Oakdale Station
- The Ellipse on Excelsior
- Walmart Midwest
- And Many More...

engineering surveying planning energy



mark anderson (763) 259.6666

Make Your Parking Lot Shine!

Claim your rebate TODAY!

Now is the time to **SAVE MONEY** on new asphalt!

Offering a 10% **REBATE** on asphalt or concrete work contracted before July 1, 2010.

Visit our website to claim your **REBATE** today!
Enter code 3010.



specializes in asphalt & concrete repair/replacement:

- Commercial, Residential, New Construction
- Mill & Overlay
- Laser Profiling
- Reclaim & Repave
- Repair, Patch, Crackseal, Sealcoat
- Full line of concrete installation

Claim your rebate TODAY!

Serving the entire metro area since 1988.

763-428-4121

www.metropavinginc.com

STATS:

FRUGAL, YET OPTIMISTIC SHOPPERS DRIVING SMARTER RETAIL THROUGH TECHNOLOGY AND MOBILITY

New IBM survey of more than 30,000 consumers, released January 11, 2011.

According to the study,

70% are positive about their income situation

Frugality Reigns

Top Three Shopping Attitudes:

- Buy what they need
- Search for items on sale
- Wait longer to purchase

49% were "instrumented consumers" or those who use two or more technologies such as:

- Website
- Mobile device
- In-store kiosk to shop

This is a 36% increase since IBM's last retail study a year ago

SMALL TALK

In order to succeed, retailers need to do three things:

Listen: From Facebook to Twitter, to blogs, YouTube and reviews, shoppers are leveraging social media more than ever before to discuss retailers, products and brands with friends, family members and strangers.

Know: While listening is important, a personalized shopping experience is still dominant in the mind of the consumer. By offering promotions on items they regularly buy and remembering things such as preferred payment methods and receipt types, retailers can increase spend and loyalty among shoppers.

Empower: Finally, retailers must empower consumers by making it as easy as possible to shop seamlessly across channels and letting them choose how to interact. Forty percent of the people surveyed want to check product prices wherever they are and get promotions based on the items they scan, while 50 percent are willing to use a personal mobile device to avoid the checkout lane.

"As we're finally starting to come out of a very painful recession, we're seeing consumers who are finally optimistic about the future. This new attitude, however, doesn't mean they're rushing to stores and spending like the pre-recession heyday. Retailers need to personalize the shopping experience for consumers, using technology to better understand and serve their consumer, if they want to win in this new environment." Jill Puleri, IBM Global Industry Retail Executive, IBM Global Business Services