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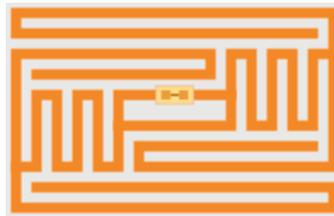


FEATURE by Jeff Orosz, C.M. Architecture, P.A.

RFID

What is RFID? We hear the term used as a wave-of-the-future technology that will change the way we shop. Radio-Frequency Identification (RFID) is technology that uses communication through the use of radio waves to exchange data between a reader and an electronic tag for the purpose of identification and tracking. In a retail setting, these tags can be applied to every item in the store to track inventory and help with security. Sounds like a barcode, right? Indeed, an RFID tag does perform the same functions of a barcode, but with several additional abilities.

Traditional barcodes contain only a limited amount of information, such as a brand name and a size, though it can't tell one medium shirt from the other identical medium shirt. In an inventory process, companies must scan every bar code of every item. RFID tags each have their own unique identifying number, which makes it possible to monitor stockrooms and assets more effectively. Barcodes



Walmart RFID tag

also are limiting because they have to be read by visually scanning the product one item at a time. RFID tags have the advantage of being identified through proximity scanning. This makes it possible for retailers and grocers to identify exactly which products are still in the store without time-intensive inventory programs associated with barcodes. The inventory time savings not only lowers costs, but it also allows more frequent counts which results in more accurate inventories and the elimination of stock-outs, thus improving revenue and customer satisfaction. The RFID tags come in a variety of shapes and sizes, making it possible to perform a variety of tasks such as monitoring building access, identifying expensive jewelry, tracking airline baggage, race timing, and even locating household pets.

A few key factors led to a significant increase in RFID usage in retail: higher theft, decreasing costs, and increased performance. The year 2009 was the beginning of a wide- ➔

SNAPSHOT

CROSSROADS OF CHANHASSEN



Location: SWQ of the new Hwy 212 and Hwy 101
Month/Year Opened: Kwik Trip is now open. Additional retail/restaurants projected to open Summer 2011.
Owner: Kraus-Anderson, Incorporated
Developer: Mike Korsh, Kraus-Anderson Realty Company
Leasing Agent: Dave Stalsberg & Jim Stimmler
 Kraus-Anderson Realty Company; (952) 881-8166
Architect: Architectural Consortium, LLC
Construction Contractor: Kraus-Anderson
GLA: Approximately 75,000 sf of freestanding and multi-tenant retail and professional/medical office space
Demographics: 113,194 residents within a 5-mile radius with a median household income of \$123,925
Market Area Served: Chanhassen, Chaska, Eden Prairie, Victoria, Shakopee, Minnetonka
Additional Facts/Narrative: New development, now pre-leasing, along the new Hwy 212 at Hwy 101. Located across from the SW Transit Park & Ride and near the recently opened Chanhassen High School. BTS opportunities and pad sites available for sale. Fantastic median household incomes.

RFID - continued

scale initiative in asset tracking using RFID. The ability to "keep tabs" on every product is a huge advantage for retail security. According to the 2009 survey "Global Retail Theft Barometer" by the Center for Retail Research, incidents of shoplifting rose nearly 6% over the past year, representing \$115 billion in losses globally, which is a sharp 5.9% increase over 2008. In previous years, the increase hovered at only 1.5% annually. To make matters worse, the largest increase was in North America at 8.1%. This increase has obviously been attributed to the global recession and cutbacks in spending on security. *Time Magazine's* Bruce Crumley reports that a growing number of new shoplifters are outwardly reputable, middle-class people who are walking off with French cheeses, quality meats, cosmetics, mobile phones, clothing and other goodies that they feel they need to maintain a quality of life they can no longer afford. Since the RFID tag can be identified through proximity scanning, the tag can be hidden from sight and located within the packaging. It is even possible that RFID tags could broadcast a signal to an in-store receiver to determine whether the product is in the store. This means the RFID receiver can identify which item was stolen, and enables the retailer to replenish goods and not lose sales due to items being out of stock when traditional inventory systems think they are still in the store.

When the technology initially became available in the 1970's, even the simplest RFID tags were over \$5 a piece, making it far too expensive for most retailers. In more recent years passive RFID tags used for single item tracking have come down to around five cents each, but since 2009 Japanese and Korean laboratories have been successfully creating tags that are being sold at four and even three cents each. As with every new technology, the price will continue to drop as manufacturers are creating innovative production methods and competition is heightened.

Walmart was one of the first large retail companies to begin using RFID tags. A Walmart mandate was issued in 2005 that required its top suppliers to apply RFID labels to all shipments, and those suppliers who failed to comply would be charged a service fee (*RFID Journal*, Bacheldor 2008). Walmart has been using RFID tags to track inventory from 2005 to present, and it



RFID tag with barcode

retailer finding advantages with RFID technology. Other companies such as American Apparel, Best Buy, Target, Macy's, JCPenney, etc. have run pilot programs and years of testing. Currently many of the retailers are joining forces as part of an RFID Item-Level Committee, which launched a formal initiative to investigate the benefits of tagging items for suppliers and retailers. The committee is working to make sure the technology is adopted in a standardized way that benefits everyone (*RFID Journal*, Mark Roberti 2010).

This technology has a few other capabilities that can enhance the shopping experience. We could potentially eliminate the need for check-out lines with barcode scanners to identify which products you're buying. The RFID readers have the ability to detect all of your product tags simultaneously, which can make check-out lines avoidable, saving a customer's time and annoyance with long lines. But what about payment? RFID can help with that too. For a few years now we've already seen credit cards that are implanted with RFID chips so that you can just wave your card past the reader in a touch-less check-out. You can find an example at most of your local McDonalds locations. Another proposal doesn't require any interaction with the customer. As patrons simply walk out the front door the electronic reader detects every item, rings them up simultaneously, and notifies your bank of the amount to be deducted from your account.

But RFID can take convenience and security a step further. The majority of our population is already enamored with our mobile phones for texting, social media, and online banking. Online banking can turn your mobile phone into a virtual wallet, eliminating the need for credit cards while adding encryptions and pass codes for security. Mobile phones can become equipped with RFID tags that can store credit card and bank information so that as you pass the RFID reader, the customer is required to enter a pass code or PIN before the payment is authorized. This brings one

appears as though the effort is worthwhile. In October 2005 the University of Arkansas' Information Technology Research Institute reported that RFID has been reducing retail out-of-stocks by 21% over non-RFID based retailers. And Walmart isn't the only

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Watch for
The Caring Tree
online auction
June 3 — June 17

continued on page 7 →

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Working together to build the most profitable and enduring brand.

McGladrey

At McGladrey, it's all about understanding our clients – their business, their aspirations, their challenges. Once we understand, we bring fresh insights and tailored expertise to help them succeed.

RLK Incorporated

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To be one of the best and most reliable mortgage banking firms in the region.

SMALL TALK

NETWORKING TIP

#5



Ask open-ended questions in networking conversations. This means questions that ask who, what, where, when, and how as opposed to those that can be answered with a simple yes or no. This form of questioning opens up the discussion and shows listeners that you are interested in them.

Source:

www.strategiesforchange.com

HOT SPOTS

by **Judy Lawrence, Kraus-Anderson Companies**

FITNESS TOGETHER

Fitness Together is a personal training franchise that has been in operation since 1996.

Fitness Together credits its success to the one-on-one personal relationship between the trainer and the client. Each team discusses the client's specific fitness goals, whether they are weight loss, dealing with health issues or training to run a marathon. Fitness Together can even develop a plan to improve a client's golf game or to help them keep up with their grandchildren.

Once the goals have been established, the certified personal trainer can come up with a program that is focused around three main components:

Resistance training

A cardiovascular routine

Proper nutritional guidelines

The private studios provide a focused environment for client and trainer to work on their goals. The trainer is there to push the client just enough so that they are able to see the improvement without injuring themselves or losing interest. Each team re-

evaluates the goals and progress every six weeks.



I spoke with Tracy Mattson, owner of the Chanhassen Together Fitness and asked her what made her select this franchise from all of the options available. She said, "We believe so strongly in the model. It works. There are no gimmicks and the entire program is based on sound nutritional and activity basics." She went on to say that their typical client is 40+ years old and that they focus a lot on strengthening and toning programs.

When asked how the community had received their program, Tracy was very positive, stating that the Chamber of Commerce said that their ribbon cutting ceremony had one of the largest turnouts that they had ever seen.

It looks like it is full steam ahead for this popular franchise. To set up your personal training program call (952) 934-9346.

www.fitnessstogether.com

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

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

Next meeting: The next meeting will be: **Thursday, May 19, 2011** at Caribou Coffee near Hwys 7 & 101 (4717 State Highway 101, Minnetonka 55345). MSCA member hosts include **Steve Johnson**, Solomon Real Estate Group and **Cindy MacDonald**, Kraus-Anderson Companies.

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!

MOMS GETTING PAMPERED

- Average person celebrating Mother's Day is expected to spend **\$140.73** on gifts.
- Total spending is expected to reach **\$16.3 billion**.
- **13.3%** of people will buy electronics.
- **31.2%** will buy silver, gold, or diamond jewelry.
- More than half of all celebrants will treat mom to a nice meal, spending a total of **\$3.1 billion**.
- **31.8%** of Americans will buy mom clothing or accessories.
- **64.9%** will buy mom flowers.
- Consumers will spend an estimated **\$1.6 billion** on gift cards and an estimated **\$1.2 billion** on personal services such as a trip to a day spa.
- **32%** of gift buyers will shop at a department store, **29.6%** will shop at discounters, **31.8%** will shop at specialty stores including jewelers, florists and electronics stores, **21.5%** will shop online and **7.1%** will shop at a specialty clothing store.

Source: National Retail Federation

EVENTS

- May 4 **Development/Redevelopment**
- May 19 **Third Thursdays Networking**
- Jun 1 **Trends**
- Jun 16 **Third Thursdays Networking**
- Jun 20 **Annual Golf Tournament**
- Jul 13 **Professional Development**
- Jul 21 **Third Thursdays Networking**
- Aug 3 **Shopping Center Focus**

www.msca-online.com

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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.

Program

Tom Goodrum, MFRA, Inc.

Tom Moore, HTG Architects

Retail Report

Janet Goossens, Kraus-Anderson Companies

Michael Broich, Target Corporation

Sponsorship

Janele Tavoggia, 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

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MN MARKETPLACE

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

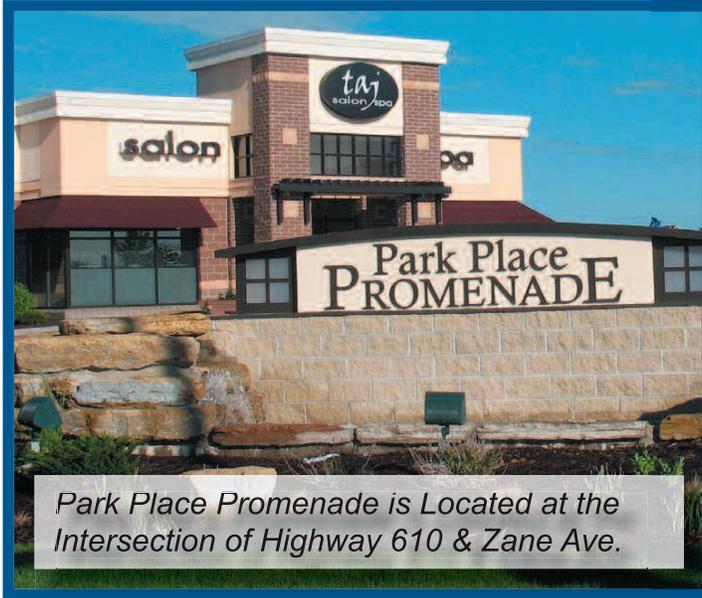
- **White House/Black Market** will open a new store in May at Shops at West End. This will be the 6th Twin Cities location for the fashion retailer.
- Mall of America has announced several new tenants. Luxury fashion stores **Armani A | X**, **Michael Kors** and **Stuart Weitzman** have signed leases to open stores in the newly remodeled south wing. **Sky Deck Sports Grille and Lanes** has signed a lease for a 24,000-sf destination located on the 4th floor promising "Minnesota's most unique bowling experience," a large selection of classic and cutting-edge video games, sports viewing, burgers and pizza. Other newly signed retailers include **Naartje Kids**, a specialty clothing store; **Bettie Page**, a retro-fashion store; **Desigual**, a Barcelona-based clothing chain; **Superdry**, a British clothing chain; **See's Candies**; and **Merrell Shoes**.
- **Masu Sushi & Robata** opened in April at 330 E. Hennepin Avenue in Northeast Minneapolis in the former Let's Cook space. It combines traditional Japanese cuisine and hospitality in a modern, hip environment.
- **Pizzeria Lola** has opened at 5557 Xerxes Avenue S. in South Minneapolis. The new restaurant serves handmade, woodfired pizza.
- **Sbarro** filed for Chapter 11 but will continue operating its Italian restaurants, which number roughly 1,000 across 40 countries, having reached an agreement with second-lien lenders and senior note holders.
- **Bread, Coffee, Cake** a.k.a. **BC2** closed in April after being crushed by a boulder. The St. Paul bakery located near the Wabash caves suffered severe kitchen damage after a large boulder rolled down a nearby bluff and crashed into the back of the shop. A St. Paul inspector has since declared the building condemned.
- **Current Restaurant** has opened in the Afton House Inn at 3291 St. Croix Trail S. in Afton on the shores of the St. Croix river. The seasonal menu will feature chef-driven fresh and healthy options.
- **Porky's Drive-In** closed in April to much fanfare after serving loyal customers since 1953. In mid-April, the building was loaded onto a semi-trailer and taken to a commercial lot outside of St. Paul until road restrictions are lifted by the Minnesota State Patrol. The restaurant will be moving to Little Log House Pioneer Village near Hastings, and may be open to visitors as soon as July.
- **Kozy's Steaks and Seafood** has closed in the Galleria, making way for Parasole's second **Pittsburgh Blue** steakhouse concept.
- Ground broke for the new **Goodwill** project location in Blaine.

MEMBER NEWS

Coldwell Banker. Coldwell Banker Commercial Griffin Company launched its new Business Brokerage division.

Robert Muir. The Minneapolis/St. Paul Business Journal awarded the Best in Real Estate Lease - Retail to Robert Muir Company's Gordmans and Bed Bath & Beyond site in Woodbury.

LET'S MAKE A DEAL!



Park Place Promenade

- **Phase I ~ Small Shop Space**
 - *800 sf - 2,996 sf Available for Lease
 - *In-Line & End-Cap Options
- **Phase II ~ Planned Development**
 - *5,500 sf - 60,000 sf Mid Box Retail
 - *BTS Pad Sites Available for Sale/Lease
- **Competitive Rates & TI's Offered**
- **Immediate Occupancy Available**
- **Outstanding Access & Visibility to Highway 610 in Brooklyn Park**

Crossroads of Lakeville

- **All Businesses Welcome**
 - *1,400 sf & 4,009 sf In-Line Available
 - *2,145 sf End-Cap w/Outdoor Patio
- **Multiple Concessions Available**
 - *FREE Rent During Moving Period!
 - *Priced to Lease!
- **Cub Foods Anchored Center**
- **Excellent Location & Tenant Mix**
- **Ideal Site for a Variety of Retail, Office, & Medical Users**



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Chris Moe, CCIM: cmoe@hjdevelopment.com
Joe Mahoney: joe@hjdevelopment.com



Monday, June 20, 2011

11:00 am Registration & Boxed Lunch
 12:15 pm Shotgun Start & Four-Person Scramble
 5:30 pm Social Hour, Silent Auction & Dinner Buffet
 7:00 pm Awards Presentation & Auction Winners

PAR-TEE CARTS*

Purchase \$5 tickets for a chance to win one of two decked out Par-Tee Carts for your foursome. All gifts on the cart are yours to keep!

Par-Tee Cart
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MAJESTIC OAKS GOLF CLUB

701 Bunker Lake Blvd., Ham Lake 55304
(763) 755-2140

TOURNAMENT FEATURES:

- Longest drive, longest putt and closest-to-the-pin contest
- **New Golf Rule** - If you have missed your par attempt, pick up your ball and proceed to the next hole. Therefore, no greater score than bogey shall be recorded.

Online Auction Sponsor:



Online Auction Sponsor:



Foursome Registration *No refunds or cancellations allowed*

#1 Name _____
 Company _____
 Email _____

#2 Name _____
 Company _____
 Email _____

#3 Name _____
 Company _____
 Email _____

#4 Name _____
 Company _____
 Email _____

- Foursome \$640** (same great price as last year!)
 (includes team golf, lunch, networking, dinner buffet)
- Foursome + Prize Package \$690** (up to \$890 value)
 (includes team skins, mulligans, 4 Par-Tee Cart tickets*)
 The first 50 foursomes to purchase the prize package will receive 4 free rounds of golf at Majestic Oaks (not to be used on the day of the tournament). They will be sent out to the purchaser of the foursome via mail in April (\$180 value!).

Individual Registration *No refunds or cancellations allowed*

Single Golfer \$170
 (will be paired as they are received)
 (includes individual golf, lunch, networking, dinner buffet)

Name _____
 Company _____
 Email _____

Dinner Only \$30

Name _____
 Company _____
 Email _____

New This Year!

Lawn Ranger Wine Pull
 \$10/cork - guaranteed winner!
 Red and white bottles ranging from \$10 - \$100



Purchase corks at the tournament near the lunch tent

Return with payment to MSCA

Check Number _____ Visa MC Amount \$ _____
 Name on Card _____ Card Number _____ Exp. Date _____
 Credit Card Billing Address _____
 Security Code _____ Signature _____

8120 Penn Avenue South, Suite 464 ☑ Bloomington, MN 55431 ☑ phone (952) 345-0452 ☑ fax (952) 888-0000

MEMBER PROFILES

Mike Sims

Mid-America Real Estate-Minnesota,
LLC



Primary Career Focus: Retail Tenant Representation

Education: U of M Business Major

Family: Wife, Lisa; 3 children, Jack (16) Natalie (14) Nicole (12)

Hobbies: Skiing, fishing, pheasant hunting, spending time with my wife and kids

Very First Job: Sims Security usher at Met Stadium at age 13

Dream Job: River Monster Fishing guy, travel the world and catch big nasty fish

Secret Talent: I do all the sewing/mending in the house

Favorite Food: Steak & vegetables on the grill

Favorite Book: The Good Book

Favorite Quote: "Courage is being scared to death—but saddling up anyway" ~John Wayne

Mentors: Gloria Sims, loving parent and successful business woman, earn a "handful" of clients, serve them like they are your ONLY client.

Favorite Place Traveled: Vancouver, BC

MSCA Involvement: Past President

Laurie Mordorski

RED Development



Primary Career Focus: Marketing

Education: BS in Marketing Communications from UW-River Falls

Family: My husband of 9 years, Paul and our 1-year-old son, Owen

Very First Job: Hostess at The Little Oven in St. Paul

Dream Job: Planning red carpet events for celebrities

Favorite Food: Chocolate

Favorite Book: Anything written by Jane Green

Favorite Movie: *The Green Mile*

Favorite Quote: "All dreams can come true if we have the courage to pursue them." ~Walt Disney

Mentors: I've had the privilege of working with some of the best in this industry, but in 1998, I interned at Maplewood Mall with Scott Michaelis and Jennifer Lavine. They are both amazing at what they do and inspired me to go into shopping center marketing.

Favorite Place Traveled: Barbados

COMING
SOON

All new MSCA
website!
Stay tuned for
more details.

NEW MEMBERS

Michael Demenge

Allweather Roof

Ryan Kampff

Concierge Landscape
Environments

Christopher Huntley

Huntley Law, LLC

COMMITTEE CHAT

Co-Chairs: **Jase Stumph, LS Black Constructors, Inc.**
and Mark Robinson, Paster Enterprises

The MSCA Technology Committee is a small committee that meets quarterly to share ideas and discuss MSCA's website, hardware, and software needs as well as how to best serve the association as it relates to technology, social media and the website (www.msca-online.com, in case you forgot). Primarily we focus on upgrading the website, staying in contact with members via LinkedIn, and writing "Tech Tips" for the monthly newsletter.

TECHNOLOGY

The most newsworthy story with our committee is that MSCA will be getting a BRAND NEW WEBSITE very shortly. If you've been to our website lately you'll notice that many links do not work, many items are out of date, and overall the usability of the website is poor. This is due to a very unfortunate change of service providers that MSCA was unaware of until our website crashed and we received notice that our old provider had been sold to a new company. So, out with the old and in with the new! MSCA has designed our new website from the ground up and it will include many new features as well as being much more "user friendly" as compared to our old website. Look for the new website soon.

With the new website, the committee will continue to enhance the site to best suit the association's needs. We'd love to see some new faces in the committee, and the best thing about it is you only have to commit four short mornings a year to us! Contact Danielle Pelton at dpelton@msca-online.com for information on joining.

If you have any other questions or changes you'd like to see to the website please contact one of the co-chairs, Jase Stumph at jstumph@lsblack.com or Mark Robinson at mrobinson@pasterent.com.

RECESSION RECOVERY AND THE ROLE OF RETAIL, RESTAURANTS AND RESORTS

If you missed the April program, you missed an excellent overview of the current status of the economy and its effect on the retail and hospitality industries. Dan McElroy, 2011 President of Hospitality Minnesota, brings both public and private experience to the table in such critical areas as economic development and finance.



Dan McElroy
2011 President of
Hospitality Minnesota

CURRENT ECONOMIC UPDATE

The recession: The nation is experiencing the longest recession in history (18 months), according to the National Bureau of Economic Research. In addition to the recession, the State of Minnesota had deficits averaging just over \$1433 billion in the years 2009-2011. During previous recessions, the budget deficits ranged from \$319 billion to \$438.5 billion.

Unemployment: Minnesota has historically had a lower unemployment rate than the nation because the state is so diverse in terms of industry sectors. Prior to the recession there were 2.73 million jobs in the State of Minnesota. During the 18-month recession, there were 135,000 jobs lost in Minnesota. During the recovery of job loss, the job growth situation will be considered to be healthy when 7,000-9,000 jobs are added per month or 100,000 jobs are added per year. An unemployment rate of 6.6% was reported by the Minnesota Department of Employment and Economic Development (DEED) on April 14, 2011.

The causes of unemployment during this recession were the collapse of the housing market, the Federal Housing Finance Agency (FHFA) placed Fannie Mae and Freddie Mac in conservatorship, and Bank of America bought Merrill Lynch, as American International Group, Inc. (AIG) suffered from a liquidity crisis of its assets.

Consumer Confidence: (based on EconomicSnapshots.com) Consumer spending drives 69% of the economy and the Consumer Confidence Index is closely watched by many economists as they consider consumer optimism an important indicator of the future health of the economy. The Consumer Confidence Index was arbitrarily set at 100 in 1985. Here are some of the trends that have occurred:

- An index of 100 is required for healthy growth.
- An index of 90+ is considered healthy.
- 1999-2000: the index was at 140, the highest in history.
- February 2008: the index fell to 28, the lowest in history.
- February 2011: the index was at 74.
- Today, the index has dropped slightly to 62 due to gas prices, as well as disruptions in Tunisia and Libya.

EFFECTS OF THE RECESSION per July 2010, DEED

Age Group: Individuals age 20-24 had the highest unemployment rate (15.6%) of all groups. Individuals age 55+ had the lowest unemployment rate (6.9%) of all groups. 70% of the people who lost their jobs were men. Peak overall

unemployment for the State of Minnesota was 8.5%.

Educational Attainment: Educational attainment was a big indicator of employability. If an individual has no high school diploma, they are two times as likely to be unemployed. If an individual has a four-year degree, they are half as likely to be unemployed than without a degree.

Geographic Area: Two areas in Minnesota that had lower unemployment rates than the state were Rochester and the Fargo-Moorhead areas. Rochester had lower unemployment than the state because of the Healthcare Industry. Fargo-Moorhead experienced unemployment lower than the state because of American Crystal Sugar and their service connection to Energy.

Work Week: The average work week prior to recession was 35 hours. In the depth of the recession the average work week was 31 hours. Currently the work week is in recovery.

Work Force Change: Work force changes include:

- The population in Minnesota is not growing and Minnesota has a higher median household income than the nation.
- 1990-2000 the work force grew 4.52%.
- 2005-2010 the workforce grew 1.12%.
- From 2020-2025 the workforce is expected to grow 0.01%.
- From 2035-2060 the economy is expected to be robust and it is expected that there will be more jobs than people for a time period.
- For the period from July 2008 to 2010, DEED reported that the construction industry, information, financial services and the government experienced the most significant increase in unemployment. In the area of professional services, architects and law school graduates experienced higher unemployment rates than other individuals in this category. The Mining and Lodging, Leisure and Hospitality, Education and Health and Professional and Business Services experienced the most positive gain in employment statistics.

THE HOSPITALITY INDUSTRY

The hospitality industry includes lodging, resorts, camping, golf courses and restaurants. The State of Minnesota tracks the industry and reports annual sales of \$11 billion. Wages are reported at \$3.9 billion with many part-time employees. Everything that the hospitality industry

APRIL 2011 PROFESSIONAL SHOWCASE



Metro Paving is your full service asphalt and concrete company serving the entire metro area and beyond since 1988. Specializing in parking lot paving – repairs and maintenance while ensuring the last amount of customer disturbance. Our past customers are our best advertising.

continued on page 8 →

RFID - continued from page 2

more level of security that a lost credit card can't provide, without compromising customer convenience.

Although RFID tags offer so many more advantages, don't be surprised if UPC barcodes stick around. Many times you can find them both being used on the same products for different reasons. Additionally, barcodes have one huge advantage over RFID in today's digital atmosphere: barcodes can be generated and distributed electronically via email or mobile device for printing by the customer. A prevalent example of this would be airline boarding passes.

It's true that RFID technology has been heavily criticized because of its potential uses in areas of privacy encroachment. Issues such as human implanting, chipped passports, etc. are all topics of hot debate, but despite the variety of uses, the focus of this article is to address the several advantages the technology has for efficiency and customer satisfaction in the retail industry. It's easy to see how RFID tags can provide significant advantages to both large national retailers and to the smallest mom-and-pop single-store operations. With lowering costs and extremely high reliability, retailers are using RFID tags in many applications from supply chain management and improved efficiency of inventory tracking to theft prevention. Regardless of which features retailers are using, it is important to note that RFID is a technology that is helping our industry by improving retailers' bottom line.

STATS:

Minnesota 100 biggest public companies (as ranked by revenue)

Among Minnesota's 100 biggest public companies, health care firms contributed the most profit in 2009, followed by manufacturing. Retail and service firms accounted for the biggest portion of sales and the most jobs. The state's most valuable firms, as measured by market capitalization, are in manufacturing.

Top retail companies on the index:

RANK	COMPANY	2009 SALES (IN MILLIONS)
2	Target	\$65,357
3	Best Buy	\$49,694
4	Supervalu	\$42,212
15	Nash Finch	\$5,212.7
22	Regis	\$2,409.7
34	Gander Mountain	\$1,086.8
37	Lifetime Fitness	\$837.0
44	Select Comfort	\$544.0
45	Buffalo Wild Wings	\$538.9
61	Caribou Coffee	\$262.5
67	Famous Daves	\$136.0
73	Granite City Food	\$85.8

Source: Star Tribune 1/10/2011

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Program Recap - continued from page 6

sales is taxed, therefore it is big business for the State of Minnesota. The hospitality industry is the third largest job creator in the state (10% of all jobs) with 242,000 jobs in 2009, 262,000 jobs in 2010 and 280,000 jobs in 2011 (estimated). The average work week for the employee in this industry is 25 hours which fell to 21 hours during the recession. There are jobs in every county in Minnesota and many are first time jobs (25-30%).

The recession hit the hospitality industry hard because most of the spending in this industry is discretionary income. Some recovery occurred in 2010 and 2011 for the first time since 2006, mostly in the area of restaurant growth. The outlook for 2011 is encouraging for most sectors within this industry. Leisure and hospitality employment was up 2% in 2010 over 2009. Leisure and hospitality has been among Minnesota's top industries for job growth coming out of the recession which ranked fifth in the nation.

The Lodging Industry: Demand for rooms at Minnesota lodging properties increased substantially in 2010, reflecting an increase in business and leisure travel. Sales of hotels in Minnesota are primarily distressed properties that are being rebranded or renovated. One of the most recent examples of this is the recently purchased 564-room Bloomington Sheraton Hotel which is scheduled to receive a complete overhaul and rebranding as a Doubletree.

The Restaurant Group: The fastest growing sector within the restaurant group is fast casual dining because this model allows restaurants to control labor costs. Five Guys, Noodles,

Jimmy John's, Chipotle, Buffalo Wild Wings, Firehouse Subs and Panda Express are some of the fastest growing fast casual restaurant chains in this market. Five Guys is the fastest growing in the country and Buffalo Wild Wings is the fastest growing fast casual restaurant chain based in Minnesota. Others entering the market are Jersey Mike's (planning on adding 25-30 locations) and Dickey's BBQ (new franchisee in this market).

Other local restaurant groups expanding in this market are Parasole Restaurant Group, opening a Burger Jones in Burnsville (former Hollywood Video), Blue Plate Restaurant Group (former Hollywood Video store on Hennepin Avenue) and Crave Restaurant (the former Palomino). Darden Restaurants are looking at former video store locations and plan to open smaller concepts for their Red Lobster, Olive Garden and Cheesecake Factory restaurants.

Minnesota is one of seven states in the U.S. that has tipped employees in the restaurant industry and the State does not allow a tip credit. This makes it more expensive for a restaurateur to operate a restaurant. Consequently, there are four of the top ten restaurant chains in the U.S. that will not be entering this market.