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FEATURE by **Ross Dahlin, Itasca Funding Group, Inc.**

THE EVOLUTION OF COMMUNITY SHOPPING CENTERS IN THE TWIN CITIES

2009 is now upon us, and the outlook has never appeared more dismal for the shopping center industry. Rather than a story on the gloomy economic outlook, perhaps we can all take comfort in reminiscing on some history of the industry.

Home to Southdale and the Mall of America, the Twin Cities has an important place in the history of shopping center industry. Many of the developers, architects, and retailers based in Minnesota were visionaries of their time and remain significant today.

I had the opportunity to meet with Bruce Peterson, Principal of SDC Equity Partners, for his knowledge regarding this topic. Bruce has been in the shopping center industry for 50 years and worked for a number of developers in the 60s and 70s on projects throughout the Upper Midwest. He founded Security Development Corporation in 1977 as a development company for select clients. Since 1986, he

and his partners have developed their own retail centers as long-term investments.

Bruce shared his ICSC directory from 1967/1968 (MSCA did not exist until 1988). The Minnesota section contained 30 member companies. The names listed on the sidebar, next page, could each have their own feature article, but the point of displaying this list is to highlight the growth of the industry and conjure up memories.



Beyond MOA and the "Dales," the history and evolution of smaller "community" shopping centers is a story that often goes untold. Every Minnesotan knows that Southdale was the nation's first indoor mall. Opened in 1956, it set the bar →

SNAPSHOT

ELK RIDGE CENTER



Location: 197th Avenue and Highway 169, Elk River
Month/Year Opened: October 2005
Owner: Hempel
Center Manager: Dave Syers, Hempel
Leasing Agent: Brent Jacobson and Ben Krsnak, Hempel (763) 383-1100
Anchor Tenants: Aldi Foods, US Bank, Pearle Vision, New Horizon Child Care
Market Area Served: Elk River, Ostego
Additional Facts/Narrative: Elk Ridge Center serves the community of Elk River by offering Aldi Foods, US Bank, Pearle Vision, New Horizons Daycare, and 22,000 sf of future small shop space. The site offers full visibility to 43,000 cars from Highway 169 daily.

Community Center Evolution - continued

for the next 25 years of retail development. The Edina mall was wildly popular and quickly copied across the nation, even in warm climates. Post-war suburbs now had a gathering place, a place where the kids could see Santa and adults attend a theatrical event. Every suburban and sizable outstate community looked with envy to what Edina possessed and wanted their own Southdale.

Of course, the Twin Cities could only support so many regional malls. Smaller "community" malls were constructed in many suburbs including:

- Apple Valley Square (1976)**
- Brighton Village, New Brighton (1973)**
- Cobblestone Court, Burnsville (1981)**
- Champlin Plaza (1980)**
- Cedarvale Mall, Eagan (1966)**
- Coon Rapids Family Center Mall (1964)**
- Galleria, Edina (1974)**
- Minnesota Valley Mall, Shakopee**
- Northgate Mall, Blaine (1978)**
- Ridgehaven Mall, Minnetonka (1981)**
- St. Croix Mall, Stillwater**
- Signal Hills, West St. Paul (1955)**
- Southtown, Bloomington (1960)**
- Valley Creek Mall, Woodbury (1974)**
- Valley West Mall, Bloomington (1971)**
- Village Square, Inver Grove Heights (1971)**
- Westview Shopping Center, Hastings (1976)**
- Zachary Square, Maple Grove (1981)**

These indoor malls were typically 100,000 – 300,000 sf anchored by grocers, discount retailers, hardware, and/or drug stores. Interior bays were filled with fashion retailers, barbershops, arcades, pizzerias, specialty gift shops, dance studios, and movie theaters. The common areas usually included space large enough for community events. In addition to the "double-loaded" malls with an interior walkway, several other shopping centers were "single-loaded" that included a climate-controlled walkway between shops. For example, Valley West Mall in Bloomington was originally developed with a climate-controlled walkway.

The community treated developers of these centers very well. Land was cheap and readily available, regulations were few, and the burgeoning bedroom communities required retail space. Unlike today, the acres of parking lots surrounding shopping centers were not seen as blight but as a sign of vibrancy. Many cities required six parking spaces per 1,000 sf. According to Mr. Peterson, "parking standards were created to accommodate four days per year: Black Friday and the three Saturdays before Christmas."

"...PARKING STANDARDS WERE CREATED TO ACCOMMODATE FOUR DAYS PER YEAR: BLACK FRIDAY AND THE THREE SATURDAYS BEFORE CHRISTMAS."

As the Twin Cities suburbs continued to add

residents, retail space was needed beyond what was available at the local mall. Strip centers, which offered tenants greater visibility and access, became increasingly popular. Tenants balked at the high CAM costs in the interior malls, which included increased heating, cleaning, and security costs. At the same time, many fashion (soft goods) retailers realized that they needed to be in the large regional malls to compete. Grocers, drug, and discount stores consolidated and often outgrew their mall locations. They demanded large sites to build their prototypes.

By the mid-1980s, indoor community malls were no longer developed in the Twin Cities. Big-box retailers became the essential component of a new community shopping center. The Targets and Wal-Marts were destinations in and of themselves with no need to be attached to a mall. Convenience retail such as quick-serve food or dry cleaners could find better parking, visibility, and lower CAM costs in strip centers. Developments such as Maple Grove Square Center (1985) and Eagan Town Centre (1986) became the new standard with larger anchors, visibility for all tenants, and convenient parking. At the same time, these shopping centers no longer served as a gathering place for the community.

Some malls were able to adapt and remain viable, but most were completely "demalled" in order to attract tenants. Ownership changes often accompanied an evolving shopping center. While exceptions exist (notably Kraus-Anderson and Paster Enterprises), many times it is not until the third owner that a property finds

continued on page 3 →

LOOKING BACK ...

ICSC DIRECTORY 1967/1968

MINNESOTA SECTION

Apache Realty Corp

William H. Burns

Bor-Son Building

J.E. Boran

Crossroad Center, Inc.

G.P. Schoenfelder

Crystal Realty

Max Saliteman

The Dayton Company

Robert J. Crabb

Dayton Development Co.

William Crear, Jr.

Gerald J. Oberuc

James Douglas

Wallace C. Dayton

James McClure

Decoster Company

Douglas M. Decoster

Eberhart Company

William Relling

Har-Mar Inc.

Mrs. H.J. Slawik

Kiddie Koncessions Inc.

Norton Lieberman

Kraus-Anderson, Inc.

Don Robey

Lecon Properties, Inc.

H. Stanley Wessin

Minneapolis Star and

Tribune Company

James Marson

Nash Finch Company

Norbert P. Asselstine

Paster Enterprises

Edward J. Paster

Red Owl Stores

James E. Gottlieb

Regis Beauty Salons, Inc.

Myron Kunlan

V.R. Rooney Enterprises

V.R. "Pat" Rooney

Ryan Properties, Inc.

Edward C. Ryan

Signal Hills Co.

R.J. Callahan

Super City Inc. of

Aberdeen

Robert P. Larson

Super Valu Stores, Inc.

Homer A. Childs

Thorsen & Thorshov, Inc.

Willard L. Thorsen

Titan Industries

Ronald Blake

Trach Properties, Inc.

David B. Trach

Charles M. Upham, Jr.

Charles M. Upham, Jr.

Alvin Weidt Associates Co.

Donald J. Weidt

Western Land Corp.

Ellsworth L. Johnson

PRESIDENT'S LETTER



Cindy MacDonald
2009 MSCA President

One thing about uncertain times: It makes you appreciate the resources you have all the more. One terrific example is MSCA. As we head into our 21st year, we are 800 members strong, representing over 315 companies and a spectrum of expertise from the Minnesota real estate industry.

There is real power in those numbers. With all the questions and challenges we now face, no one has all of the answers; certainly not me. However, in my 15 years with MSCA, I've cultivated relationships that offer the reassurance that a lot of answers are just a phone call away. In these increasingly competitive times, MSCA remains a professional, well-informed, fun organization, and we're all here to help one another.

Others from around the country, literally, look to us as an example of a successful trade organization. The MSCA Web site receives hits from all over the United States. We also have hits from India, China, Denmark, Switzerland, Italy, Republic of Seychelles, and the list goes on. The association receives calls from a variety of organizations trying to mirror some aspect of what we do. The resources and networking opportunities offered by MSCA are unique, and priceless. So make the most of your experience here and spread the word about MSCA to your associates.

Our goals for 2009 reflect your feedback. We're expanding services to include six Learning Sessions, which were presented to sell-out crowds in 2008. We will continue to include strong education programs, new member luncheons, enhancements to the newsletter, present networking opportunities and more. We're also modifying the structure of the Community Enhancement Committee and re-naming it the MSCA Cares Committee as our vehicle for giving back to the community. And, you can also look forward to more successful fundraising events throughout the year to benefit The Caring Tree.

Our committees, activities and initiatives would not be possible without the talent and dedication of our members. We know your commitment to MSCA is in addition to your daily obligations, and we greatly appreciate your investment in this organization. Your efforts really make a difference.

I am honored and proud to be the MSCA President for 2009 and will do my best to uphold its standards and enhance this excellent organization. Feel free to contact Karla, Stacey or myself whenever you have an idea that MSCA might benefit from or if you have a question, comment or concern. We are here to assist, listen, and help grow MSCA.

I look forward to working with all of you in 2009.

Cindy MacDonald

HAPPY
NEW
YEAR!

Community Center Evolution - continued from page 2

success. Either because of a bad economy, tenant bankruptcy, or competition, some shopping center owners are forced to sell at a bargain price. This gives the next owner a great opportunity to re-brand the property. We can see this process unfolding again with the current economic turmoil.

During the 1990s, a number of other factors influenced shopping center development. Developable land became scarcer and more expensive and environmental concerns began to affect cities' zoning and ordinances. Storm water retention ponds, landscaping, and setbacks reduced a site's ground coverage. Roadway expansion and medians reduced a site's access, sometimes enough that it ceased to be a practical retail location. In addition, cities (or their concerned citizens) no longer accepted retail developers with open arms. It would be easy to argue that shopping center development has become much more challenging in recent years.

Design trends this decade favor the "Lifestyle Center" featuring an outdoor pedestrian "main street" while incorporating mixed-use and big-box retailers. These hybrid shopping centers are aesthetically pleasing and can be considered a compromise between cities, retailers, and developers. However, it must be questioned whether outdoor shopping centers can succeed in Minnesota. Whereas we invented the suburban indoor shopping mall, Minnesota imported the Lifestyle Center from warmer climates.

While the large regional shopping centers developed in the 60s and 70s continue to be successful today, most community shopping centers of that time have been demolished or undergone drastic renovations to remain viable. In the Twin Cities, the only indoor mall from that era still functioning is Valley Creek Mall in Woodbury. Maybe its success is because a large regional mall was never constructed in the area? (Kraus Anderson also has portions remaining of a few "single-loaded" centers, such as Valley West in Bloomington.) The fact is all shopping centers must evolve because of demographic, economic, or lifestyle changes. A superior location and/or ownership can also have a big impact on the success of a shopping center. Studying the 1967 ICSC directory, it is clear that Minnesota's shopping center industry has seen tremendous growth while retaining the most entrepreneurial companies of the past.

EVENTS

- Jan 7 **Monthly Program:**
Financial/Investment
- Feb 4 **Monthly Program:**
Development
- Mar 4 **Monthly Program:**
Shopping Center/Mall
- Mar 18 **Business Day at the Capitol**
- Apr 1 **Monthly Program:** Trends

For program place and times and more info, please go to www.msca-online.com

2009 LEADERSHIP

OFFICERS

President

Cindy MacDonald, Kraus-Anderson Companies

1st Vice President

Stephen Eggerl, Target Corporation

2nd Vice President

Peter Berrie, Faegre & Benson LLP

Treasurer

Peter Austin, NAI Welsh

Secretary

Tom Madsen, Benson-Orth Associates, Inc.

DIRECTORS

Jack Amdal, KKE Architects, Inc.

Eric Bjelland, NorthMarq

John Gelderman, Opus Northwest LLC

Steve Johnson, Solomon Real Estate Group

Nancy Litwin, General Growth Properties

Paula Mueller, Northtown Mall/Glimcher Properties

Tricia Pitchford, NorthMarq

Immediate Past President (as Director):

Bruce Carlson, United Properties

COMMITTEE CHAIRS

Program

Jeff Wurst, Chesapeake Companies

Barry Brofflund, InSite Commercial Real Estate, Inc.

Membership

Jeff Horstmann, Paster Enterprises

Brad Kaplan, NorthMarq

Newsletter

Andy McDermott, Shea, Inc.

Christopher Naumann

Awards

Steve Johnson, Solomon Real Estate Group

Steve Young, Arbor Commercial Group

Legislative

Howard Paster, Paster Enterprises

Rob Stolpestad, Exeter Realty Company

Retail Report

Drew Johnson, United Properties

Suzie Rettinger, Coldwell Banker Commercial Griffin Companies

Technology

Jim Mayland, Colliers Turley Martin Tucker

Doug Sailor, Park Midwest Commercial Real Estate

Golf

Jase Stumph, RJ Marco Construction Inc.

Rick Schroeder, Robert Muir Company

Sponsorship

Ned Rukavina, NorthMarq

Janele Taveggia, Leo A Daly

Community Enhancement

Jennie Zafft, Cousins Properties, Inc.

Stefanie Meyer, NorthMarq

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PRESS RELEASES

MN MARKETPLACE

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

- Australian boot maker **Uggs**, has opened a concept store in **Shuler Shoes** at the Shoppes at Arbor Lakes, located at 7845 Main Street N., Maple Grove.
- **Casa Verde** will open this month at 911 W. 50th Street in South Minneapolis. The eco-friendly luxury shop founded by local women offers interior design services and innovative products for kitchen and bath.
- **Give My Regards To** has moved from Calhoun Commons to 7179 Washington Avenue in Edina. The new larger store focuses on custom paper-goods and party-planning resources, including event and invitation design services.
- **Pizza Luce** has added the ability to order gift cards through their Web site. Cards are paid for online and sent directly to you or the special someone that may be in need of a pizza pick-me up.
- From the owners of Tum Rup Thai comes **Roat Osha**, in a newly-constructed building at 27th & Hennepin in the lot formerly occupied by Sawatdee Uptown. With a full bar and intimate atmosphere expect favorites like pad Thai and a list of curries, all of which all are made from scratch.

COMMITTEE CHAT by Christopher Max Naumann

NEWSLETTER COMMITTEE

The MSCA Newsletter Committee is pleased to again serve the MSCA for the 2009 membership year. As in past years, the Newsletter Committee is dedicated to serving the membership of the MSCA with the latest news and views from our industry. The committee is made up of a very diverse and passionate group of industry professionals who endeavor to make the MSCA newsletter one of the most respected and envied association newsletter publications in the region.

Committee members are fully responsible in generating all content of the eight-page publication, which is distributed monthly as a paper edition and is available in a searchable format within the members area of the MSCA website. The committee meets formally four times a year to assign quarterly writing topics for publication. All committee members actively participate by writing contributions and proofing articles. This year, the committee will be continuing the efforts to bring in guest authors, while producing the fresh and timely content our membership expects and deserves.

The Newsletter Committee is looking forward to the next year and the report on the challenges that are facing our industry. We welcome anyone who might have an interest in participating in the committee, or writing a guest article, to contact the Committee Chair Andy McDermott of Shea, inc.

andym@shealink.com or Committee Co-chair Christopher Max Naumann chrismax88@comcast.net.



2008 STARRSM awards

PROGRAM RECAP by Eric Beazley, Loucks Associates

2008 STARRSM AWARDS

The 2008 MSCA year-end ceremonies, or Shopping Center Tribute Awards for Retail Real Estate (STARRSM) awards and holiday party were held December 2 at the Golden Valley Country Club. Approximately 300 members and guests enjoyed the ceremonies, awards presentations, holiday party and buffet. Some of the notable moments during the ceremonies were:

CONGRATULATIONS!

MSCA wishes to thank and congratulate all of the 2008 STARRSM Awards nominees and winners.

- Bruce Carlson – outgoing MSCA President said his farewell and passed the presidential gavel to Cindy MacDonald.
- Cindy MacDonald – incoming MSCA president introduced herself and thanked Bruce Carlson for his service as MSCA president by presenting him with a Harmon Killebrew Minnesota Twins jersey.
- It was noted that The Caring Tree raised enough money in 2008 to provide kids with 13,000 backpacks.
- Mike Sims – outgoing Caring Tree President said goodbye.
- John Meyers with Opus Northwest LLC presented a \$35,000 check to The Caring Tree from the Opus Foundation.
- Outgoing directors, officers and chairs were recognized.
- Co-chairs for the 2008 committees were recognized.
- New MSCA officers and directors were installed.
- Karla Keller Torp was recognized for her outstanding level of service and Decade of Dedication.
- All guests gave a toast to MSCA and a great 2009.
- Finally, several projects were recognized in various categories and individual awards were presented.

Please read on to see a complete list of the award-winning projects and individuals, 2008 STARRSM awards committee members and judges and your newly installed 2009 MSCA leadership. In addition, you can view the winning projects at www.msca-online.com and click on events.

2008 COMMITTEE MEMBERS



Committee Front Row (l to r):

Tony Barranco – Ryan Companies US, Inc.
Margaret Jordan – Great Clips, Inc.
Eileen Engels – Verizon Wireless
Steve Young – Arbor Commercial Group
Luann Sawochka – Rochon Corporation
Jennifer Castellanos – WOW! Events by Kraus-Anderson

Committee Back Row (l to r):

Robin Solberg – Kraus-Anderson Companies
Shelley Lidstone – Ryan Companies US, Inc.
Bruce Bahneman – The C. Chase Company
Dan Parks – Westwood Professional Services, Inc.
Steve Johnson – Solomon Real Estate Group
Brett Christofferson – Weis Builders, Inc.
John Dietrich – RLK Incorporated

2008 JUDGES



Judges Front Row (l to r):

Dana Andresen – Chuck & Don's Pet Food Outlet
Lisa Diehl – Diehl & Partners
Tom Madsen – Benson-Orth Associates, Inc.

Judges Back Row (l to r):

Christopher Colby – Yaggy Colby Associates
Matt Rieger – Park Midwest Commercial Real Estate
Tim Igo – Suntide Commercial Realty
Jon Dahlin – Itasca Funding Group, Inc.

UNDER 50,000 SF:

SHOPPING CENTERS

Winner:
 Owner/Leasing Agent:
 Developer:
 Architect:
 Consultants:
 Contractor:
 Leasing Agent:

M & I Bank Building
 Alshouse Company
 Craig Alshouse
 Architectural Consortium LLC
 Anderson-Urlacher PA
 C-70 Builders, Inc.
 CB Richard Ellis



M & I Bank Building



UNDER 50,000 SF:

FREESTANDING SINGLE USER

Winner:
 Owner/Developer:
 Architect:
 Consultant:
 Contractor:
 Leasing Agent:

LA Fitness at Park Place Promenade
 Solomon Real Estate Group
 LA Fitness
 Westwood Professional Services, Inc.
 Weis Builders, Inc.
 Tom Martin



LA Fitness at Park Place Promenade



OVER 50,000 SF:

FREESTANDING SINGLE USER

Winner:
 Owner/Developer/Architect:
 Consultants:
 Contractor:

SuperTarget at Southdale
 Target Corporation
 RLK Incorporated
 Damon Farber Associates
 Ryan Companies US, Inc.



SuperTarget at Southdale



50,000 – 250,000 SF:

SHOPPING CENTERS

Winner:
 Owner:
 Developer/Leasing Agent:
 Architect:
 Consultants:

Brighton Village
 Engelsma Ltd. Partnership
 Kraus-Anderson Realty
 Architectural Consortium LLC
 Anderson-Urlacher PA
 Land-De-Con, Inc.



Brighton Village



OVER 250,000 SF:

SHOPPING CENTERS

Winner:
 Owner:
 Developer/Contractor:
 Architects:
 Consultants:
 Leasing Agent:
 Additional:

Cedar Point Commons
 Target Corporation
 Ryan Companies US, Inc.
 RSP Architects
 Ryan Companies US, Inc.
 RLK Incorporated
 Ryan Companies US, Inc.
 NAI Welsh
 City of Richfield



Cedar Point Commons



Winner:
 Owner/Developer:
 Architect:
 Contractor:
 Consultants:

MIXED USE

Penn Lowry Crossing
 Wellington Management, Inc.
 Pope Architects
 United Properties
 Clark Engineering
 Hallberg Engineering
 Master Engineering
 Wellington Management, Inc.
 NorthMarq



Penn Lowry Crossing



Winner:
Owner:
Architect/Designer:
Consultants:

Contractor:
Additional:

Winner:
Owner:
Architect/Designer:
Contractor:
Additional:

RESTAURANT/FOOD

Olives By Massad's
John Massad
Paulsen Architects
Cedar Lake Electrical
Faribo Plumbing
B & G
Metcon
Boelter Contract & Design



Olives By Massad's



RETAIL/NON-FOOD SERVICE

Prosperan Bank
Prosperan Bank
Smiley Glotter Nyberg Architects
Rochon Corporation
Saari & Forrai Photography



Prosperan Bank



UNDER 50,000 SF:

Winner:
Owner:
Developer:
Architect:
Consultants:
Contractor:

EXTERIOR

Shoppes of Cedar Grove
Chaska Investment Ltd. Part.
Wallingford Properties Company
Architectural Consortium LLC
Anderson-Urlacher PA
DW Lutterman, Inc.

Shoppes of Cedar Grove



OVER 50,000 SF:

Winner:
Owner:
Developer:
Architect:
Contractor:
Leasing Agent:

EXTERIOR

Prairieview Center
Prairieview Retail, LLC
United Properties
Shea, Inc.
RJM Construction
NorthMarq

Prairieview Center



UNDER 50,000 SF:

Winner:
Owner/Leasing Agent:
Architect:
Consultants:
Contractors:
Additional:

INTERIOR

Best Buy Mall of America
Best Buy
C.M. Architecture, P.A.
KFI, Twin City Hardware
PCL Contractors
River City Glass
Thomas Sign and Awning
MG McGrath
Touchpoint

Best Buy Mall of America



OVER 50,000 SF:

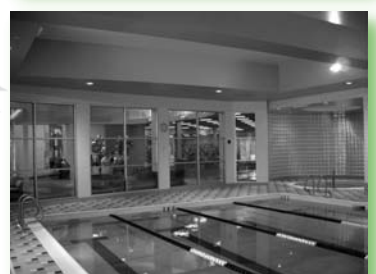
Winner:
Owner:
Architect:
Consultants:

Contractor:

INTERIOR

LA Fitness - Burnsville
LA Fitness International, LLC
Greenberg Farrow Architecture
Barry Levin & Associates
R.H. George & Associates
Senniger Walker Architects
Doran Construction, Inc.

LA Fitness - Burnsville



DEVELOPMENT PROCESS

Winner: **M & I Bank Building**
 Owner/Leasing Agent: Alshouse Company
 Developer: Craig Alshouse
 Architect: Architectural Consortium LLC
 Consultants: Anderson-Urlacher PA
 Contractor: C-70 Builders, Inc.



M & I Bank Building



REDEVELOPMENT

Winner: **Cedar Point Commons**
 Owner/Developer: Ryan Companies US, Inc.
 Architect: RSP Architects
 Consultants: RLK Associates; Westwood Professional Services, Inc.; Braun Intertec; Barna, Guzy, Steffen, Ltd.; Kennedy Graven; Liesch Associates; MNDOT; WSB; Mt. Calvary Church; Arteka; MAC; Target Corporation; Home Depot; John Nelson; City of Richfield; Hennepin County
 Contractor: Ryan Companies US, Inc.
 Leasing Agent: NAI Welsh



Cedar Point Commons



MEMBER OF THE YEAR

Peter J. Berrie
 Faegre & Benson LLP



MSCA HALL OF FAME

Doug Sailor
 Park Midwest
 Commercial Real Estate



Linda L. Zelm
 Griffin Companies



COMMITTEE MEMBER OF THE YEAR

Paula Mueller
 Northtown Mall / Glimcher Properties

THANK YOU TO THE 2008 CORPORATE SPONSORS

American Engineering Testing, Inc.
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 Chesapeake Companies
 Chuck & Don's Pet Food Outlet
 Colliers Turley Martin Tucker
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 General Growth Properties, Inc.

Gray Plant Mooty
 Great Clips, Inc.
 Griffin Companies
 H.J. Development, Inc.
 Hempel
 Inland Real Estate Corporation
 Itasca Funding Group, Inc.
 JE Dunn Construction
 Jones Lang LaSalle/Rosedale Center
 KKE Architects, Inc.
 Kraus-Anderson Companies
 LandAmerica
 Landform
 Larkin Hoffman Daly & Lindgren Ltd.
 Let There Be Lights!
 M & I Bank
 McComb Group, Ltd.
 McCombs Frank Roos Associates
 Messerli & Kramer P.A.
 Midwest Maintenance & Mechanical, Inc.
 Minneapolis/St. Paul Business Journal
 NAI Welsh
 NorthMarq Capital, Inc.
 Olsson Associates
 Oppidan, Inc.

Opus Northwest LLC
 Park Midwest Commercial Real Estate
 Paster Enterprises
 RJ Marco Construction Inc.
 RLK Incorporated
 RSM McGladrey, Inc.
 RSP Architects
 Reliance Development Company, LLP
 Robert Muir Company
 Ryan Companies US, Inc.
 Shea, Inc.
 Shingobee
 Solomon Real Estate Group Inc.
 Stewart Title Guaranty Company
 Stonehenge USA
 TCF Bank
 Target Corporation
 U.S. Bank
 United Properties
 The Velmeir Companies
 Venture Mortgage Corporation
 Weis Builders, Inc.
 Wells Fargo Bank, N.A.
 Westwood Professional Services, Inc.
 Winthrop & Weinstine, P.A.

MEMBER PROFILES

Robert Brian Pounds

NAI Welsh



Primary Career Focus: Investment Services

Hometown: Ocala, FL

Education: University of Florida

Family: Wife, Lori; daughter, Jackie (23); son, Brian (18); and daughter, Danielle (16)

Very First Job: Yardwork for Florida Telephone Company

Dream Job: Peddling flip-flops in Key West

Secret Talent: Will remain a secret if you don't mind

Favorite Food: Jambalaya

MSCA Involvement: Past Director, past Research Committee; past Secretary

Deb Carlson

Cushman & Wakefield of Minnesota, Inc.



Primary Career Focus: Retail brokerage

Hometown: Cloquet, MN; my claim to fame is that I graduated with Jessica Lange's baby brother, George

Education: University of Minnesota – go Gophers!

Family: Husband, Robin Gault, our 13 year-old daughter, Aly and two bichons: Harry & Rosie

Very First Job: Arthur Murrays Dance Studio during college – no dancing, but I called potential customers (usually during meal times) and offered free dance lessons. I was not very successful!

Dream Job: Getting paid for taking photos

Secret Talent: Used to be, a very long time ago, a trumpet soloist

MSCA Involvement: Member for over 10 years; Newsletter and Membership Committees (former Board Member and Newsletter Co-chair)

NEW MEMBERS

Mike Newcom

Metro Paving, Inc.

David Siegel

Hospitality Minnesota

Trish Stevens

Hospitality Minnesota

Susan Larson

Hospitality Minnesota

Andy Finn

Ryan Companies US, Inc.

John Hanks

Twin City Outdoor Services, Inc.

RISING STAR by Stephanie Cadmus, Mod & Company

TWICE THE GIFT

The 2008 holiday season rang a little merrier for a second year. Twice the Gift, a seasonal boutique supported by The Pohlad Family Foundation, brought area nonprofits together to raise funds through the sale of hand-made products and philanthropic "ShareCards."

"The ShareCard is a way of giving twice," said Terry Egge, Senior Program Officer for The Pohlad Family Foundation. "A ShareCard honors the recipient by supporting specific services or items needed by Twin Cities' nonprofits." For example, this year the Crisis Nursery offered two cards, one of which was a \$50 card which provided therapeutic bubble baths and health assessments for two siblings at the shelter.

In 2007, the Greater Minneapolis Crisis Nursery generated an additional \$5,000 in revenue for their organization through the sale of a \$25 ShareCard. "Helping others makes people happy and Twice the Gift gave customers the opportunity to honor both someone's philanthropy as well as support someone in need," said Egge.

Offered in addition to ShareCards was a wide array of merchandise which ranged from pajamas and aprons made by the local East African Women's Center, to hat-and-mitten sets made from recycled sweaters created by Goodwill/Easter Seals.

In 2007, Twice the Gift raised \$71,000 for participating nonprofits. Ten days into their 2008 seasonal run through New Year's Eve, Twice the Gift was 48% of the way toward their sales goal. 2008 changes—an expanded sales floor and a just-in-time approach to inventory—were clearly working. "At this point we're on track to meet our goal of \$100,000," said Egge. 100% of the proceeds go back to the participating non-profits due to The Pohlad Family Foundation's payment of all expenses.

In 2009 the nonprofit organizations will convene to determine direction and growth; potential ideas include consideration of additional boutique locations and the possibility of selling items online.



2009 LEGISLATIVE SESSION PREVIEW

by **Faegre & Benson LLP**

When the legislature convenes on January 6, the focus will be on how to solve the \$5.2 billion forecasted deficit. Towards the end of January, the Governor will release his budget recommendations to solve the deficit. In February, a revised budget forecast will be released and the legislature will begin forming its own solution to the budget problem. Work must be completed on the budget by the end of May.

In order to fix the budget problems, lawmakers will consider drastic cuts in state programs and opportunities to increase state revenues. The Governor has stated he will not sign a tax increase, but he may support "tax reforms."

The following are key issues MSCA will focus on during the 2009 legislative session:

- **Statewide property tax.** Lawmakers may change the statewide property tax levy to a fixed rate to increase revenues;
- **Business tax loopholes.** Business tax loopholes and other tax breaks and incentives—whether they take the form of exemptions, credits or deductions—could be eliminated to increase state revenues;
- **Sales tax expansion.** Expansion of the state's sales tax base has already been discussed as a way to increase revenue collections. Clothing and services, such as pharmaceuticals, tax preparation, advertising and legal advice, could be taxed; and
- **Transportation utility fee and other impact fees.** Proposals to allow local units of government to impose fees could be seen as a way to mitigate other cuts to local governments.

MSCA will work with other business organizations to oppose increased taxes and fees on business to solve the deficit problem.

BOOKMARK

The Snowball: Warren Buffet and the Business of Life

by Alice Schroeder

Lloyd Eskildson says that the title of this book refers to Buffet's likening life to a snowball: "The important thing is to find wet snow and a really long hill." If only it were that easy.

This book narrates with candor and detail, both the personal and business lives of this icon called the "Oracle of Omaha." He shares some of his philosophies, guidelines and tenets for good business decisions. He also shares some of his failures.

The Houston Chronicle says, "If you've looked at your 401(k) statement and started to fear that everyone in financial markets is either greedy, predatory or incompetent, do yourself a favor. Take \$35 out of your mattress and buy a copy (this book)... At a time like this, it's a real comfort. Buffet is living proof there's at least one wholly rational person managing money...an excellent and highly enjoyable look at this business titan."

Ms. Schroeder, a former managing director for Morgan Stanley, writes in a very easy manner, often translating more esoteric concepts into simple language that can be understood by mortals such as myself.

Contact Christopher Max Naumann chrismax88@comcast.net or Judy Lawrence jlawrence@karealty.com with your reading recommendation.

CONGRATULATIONS
ON MAKING THE
"CARLSON ADMINISTRATION"
A SUCCESSFUL ONE.

Bruce Carlson, 2008 President of MSCA



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RENEW YOUR 2009
MSCA MEMBERSHIP
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THE CARING TREE RECEIVES \$35,000 FROM OPUS FOUNDATION

John Meyers of Opus Northwest LLC presented a check for \$35,000 to The Caring Tree from the Opus Foundation at the STARRSM Awards on December 2. The Caring Tree's mission is to promote educational success for Minnesota's K-12 students in-need by ensuring that they have the appropriate school supplies. Bruce Carlson, MSCA 2008 President and Mike Sims, The Caring Tree 2008 President, accepted the check.



CONQUERING THE "BELLY OF THE BEAST"

Today's financial mess is currently being called "The Price of Optimism." Since 1980, "Americans have been living in a state of willful optimism about our financial future."¹ Our attitude has been that things will eventually work out. Since then, the stock market has been soaring. People became comfortable with Wall Street and moved their money out of FDIC-insured accounts to uninsured mutual funds. The United States government and its people stopped saving. According to the Bureau of Economic Analysis, our personal savings have dropped from a high of 12-13% in the early 80s to today's unprecedented low of 1-2%.

What is the justification for this? Since the 1980s, incomes for most families haven't been growing very quickly, which makes it difficult to save. At the same time, asset values such as stocks and property have been increasing enormously. With our assets dropping as quickly as assets did in the Great Depression, fear has become the norm. But fear can be healthy. "Finding the right middle ground - in which we neither hoard our way into a deep recession nor spend our way into bankruptcy - will not be easy. But it's also not impossible."² Most of us learn to be optimists or pessimists during childhood. According to Martin E.P. Seligman Ph.D., one of the world's leading authorities on motivation, optimists respond better to adversity and persevere in the face of it.³ Pessimists respond with helplessness and give up. What will you do?

Ironically, optimism may have caused our recent difficulties, but it will be just what it takes to get us out of this mess. Optimism and pessimism are learned behaviors and can be changed. You can choose how you face adversity. According to David Rosenthal, MAI, President & CEO of Curtis-Rosenthal, "Now is not the time for fear... it is a time for courage. Now is the time for us of the "spoiled generation" to show that we have the courage, the creativity and the boldness to march into the "belly of the beast" and conquer our challenges with our heads held high."

1 "The Price of Optimism" - New York Times, October 26, 2008

2 As Above

3 Learned Optimism - www.cbass.com/learnedoptimism.htm.

TECHNOLOGY TIP

Is your Member Profile up to date?

Make sure your company, phone, and email address information is up to date by logging into the MSCA web site, click on the **Profile** link in the upper-right corner and then click **Update Member Profile**. You are responsible for making sure this information is up to date, and it makes it so much easier for colleagues to contact you when they have the right information.

Growth doesn't happen by accident

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