

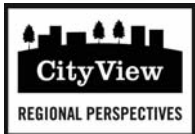
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**FEATURE: CITYVIEW** Interviewed by **Dana Andresen, Chuck & Don's Pet Food Outlet**

# MAYOR TOM RYAN, CITY OF BLAINE



*Below is another article in our series, CityView, a periodic column featuring interviews with city leaders from around the region, exploring real estate development and other issues in their areas.*

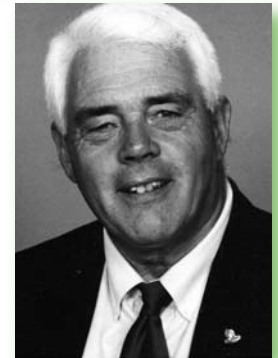
**MSCA:** What type of impact will the city of Blaine see in light of the current stimulus bill/package?

**Mayor Ryan:** Not a direct impact for Blaine. Many Mayors worked with congressmen and a lot of it wasn't connected to the stimulus, but dealt with how much might be left from this package. They are playing the games of who is going to be funded and who isn't. There is a lot of support for our wind generator.

**MSCA:** What is the foreclosure rate in Blaine and are there any plans to manage this growing concern?

**Mayor Ryan:** It is somewhere between 400 and 500. They are on and off and a lot of them have been taken already.

The ones that are so far gone or that have been damaged by people because they were angry will probably be knocked down. People were angry, they plugged the bath tubs, let the water run out the front door, they tore things out of the wall. I don't know why they did these things. [On the other hand,] we have the whole east side of University Avenue coming from the Northtown area, up probably a mile, that will be completely covered by the dollars that were given to Anoka County, and that will help these people. All we can hope is to keep the homes safe and secure and that is what we have done here. [The plan is] mostly just to secure the homes. Hopefully, we'll come out of this.



**MSCA:** What impact is the current economic climate having on development? Have the city's plans changed?



## SNAPSHOT

# THE SHOPPES AT SOUTHBRIDGE CROSSING



**Location:** SWQ of Highway 169 & Cty. Highway 18, Shakopee  
**Month/Year Opened:** 2003

**Owner:** Southbridge 2009 I, LLC & Southbridge 2009 II, LLC  
**Managing Agent:** H.J. Development, Inc.

**Center Manager:** H.J. Development, Inc./Angela Hanson

**Leasing Agent:** Chris Moe/Joe Mahoney (952) 476-9400  
cmoe@hjdevelopment.com; joe@hjdevelopment.com

**GLA:** 90,995 sf

**Current Occupancy:** 96%

**# of Stores:** 29

**Anchor Tenants:** Michaels & Pier One

Shadow anchors - Wal-Mart Supercenter & Sam's Club

**Market Area Served:** SW Metro


**Construction Style:** Block/Brick/EFIS/Glass

**Additional Facts/Narrative:** H.J. Development recently acquired the Shoppes at Southbridge Crossing. Located at the SW corner of Highway 169 & Cty. Highway 18 in Shakopee, the Shoppes are part of the Southbridge Crossing Development. H.J. Development's portion of the project includes all existing shop space and three ground leases.

## CityView - continued

**Mayor Ryan:** I think we're all going to try to get through 2009. The developments like The Lakes should have been far ahead of plan. They've slowed down. Some of the things we're doing include building a big swimming beach with pools and everything. It is a big place for the kids and is our first beach in Blaine. Sports Town on 105th is in development. We're not going to stop doing the things that we have to do to make these things appeal to people. That's been the key for us all along is to make this a city you want to build in. We've got good management – we are keeping the status quo.

**MSCA:** Can you comment on the current financial health of the city?

**Mayor Ryan:** Our general fund budget is \$25 million and our revenues are over \$41 million. Reductions were made to the initial budget. Most of the impact we will see is from property valuations – down anywhere from 4-6%. Market credits are what really hit us. Those were dollars that were removed after we spent the money. We had enough in reserves to take care of it the first time. Each department had to cut 3-4% to make up some of those dollars we lost. Blaine has the second lowest property tax rate in Anoka County. 

**MSCA:** How is the rescission of LGA funds impacting Blaine? Will this state cut result in increases in development fees, assessments, local property tax structures, etc.?

**Mayor Ryan:** We used to use it in our general fund budget. But after the many years we haven't had it, we just decided that if we ever did get it we wouldn't put it in the general fund. It's kind of like dangling a worm in front of a fish. It's there or isn't. It was a threat for different times during the year that, you either did this, or we pull it. We just forgot about it. You're dealing with your people – if they think you haven't done it right you're gone.

**MSCA:** Who are the big players in Blaine in terms of employment, tax base, and as a draw? How are they currently faring, and are there any concerns in keeping these companies in place? How do you plan to keep these players in town?

**Mayor Ryan:** Northtown has been the biggest job producer. Aveda has about 500 employees and will be hiring another 100 part time, so they're doing pretty well. Facial products are around to stay and they are now worldwide. Infinite Campus was at 78 employees when they came here

and they are now at 300. Those are jobs at \$70,000 and up. That's what we want. For every position there, 40 people applied. Parametric is building here right now with somewhere between 200 and 300 [employees], growing 5% per year. They are building right next to Aveda. Rasmussen is in the final stages of approval. Medtronic is not in Blaine. Only the parking lot and future expansion would be in Blaine. They initially asked for funding and we declined. For future expansion in Blaine we would probably say yes. They live here and buy here. We benefitted greatly from Medtronic building in Mounds View.

**MSCA:** What is the status of the land that was in negotiation for the new Vikings stadium? Are there any plans in place?

**Mayor Ryan:** Landowners are getting older. We are trying to help the landowners. One was given land by his parents, and has been paying property tax on it for years. It was held up by the Corps of Engineers, by wetland rules. Now they've agreed to give him half his land. We're going to try to help him with that, so when the economy changes, we're ready to roll. I don't believe Parametric and Infinite Campus would have located here had the Vikings Stadium gone through. Cities have the ability to make it easier for people to set it up. I think in the future you will see a hospital here. They are looking. You can't look at a piece of property that isn't improved and say "I like this." You can't see it. What we want to do is get it ready. We are prepping it for when things turn around. I feel sorry for these people, because they turned down the largest amount of dollars they would have ever seen in their lives. They probably won't see even a third of it. Had the stadium gone through, it wouldn't have worked. In the end it wouldn't have made sense.

**MSCA:** Is there a future for wind energy in Blaine? In light of your support for the National Sports Center Wind Project, are there plans to take this type of project to the next level? If so, will Blaine sell it to the grid, or will it be a closed system?

**Mayor Ryan:** It is 225 feet high, but it is disguised there. It is a big generator designed to handle the largest user of electricity in Anoka County, the eight sheets of ice at the National Sports Center. Hopefully down the road, if it works we can tie it into our public works building but I don't know if they will sell back to the grid. They need every

continued on page 3 ➔

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## TECHNOLOGY TIP

Do you have a comment about a recent MSCA program? Or do you want to give general feedback about the Web site, or MSCA in general? If so, you can do so easily from the MSCA Web site.

Click on the **Contact** link in the upper right and then click on either

### **Program Comments** or **General Comments.**

Of course you can always contact the Technology Committee chair, Jim Mayland at [jmayland@ctmt.com](mailto:jmayland@ctmt.com) or (612) 347-9311.

## HOT SPOTS / COLD SNAPS by Natina James, KKE Architects, Inc.

# ESCAPISM IS THE TRUE SALVATION FOR PEOPLE

It's been almost fourteen months of the longest recession since the "Great Depression." Most are wary of turning on the television or the radio only to be blasted with more negative news. If you have been daring enough to turn it on, you might have actually heard something positive like: job losses may have peaked in January, home sales are picking up and stocks are starting to rally.

Have you heard that "suddenly it seems as if everyone is going to the movies with ticket sales this year up 17%, to \$1.7 billion, according to Media by Numbers, a box-office tracking company?"<sup>1</sup> The numbers are not up solely due to price increases with the average ticket being \$9, but overall attendance is up 16%. The film industry has had a run of good luck. Movie studios have released movies that are either happier, scarier or not so depressing after poor results for serious Middle East dramas like "The Kingdom" "or "Rendition." People are choosing silly comedies such as "Paul Blart: Mall Cop" or "Aliens vs. Monsters." A new record was set during Presidents Day weekend. Domestic box-office sales were about \$223 million, far outstripping the

\$165.9 million in total ticket sales for the same period last year according to Media by Numbers.<sup>2</sup> The movie leading the box office that weekend was "Friday the 13th" at \$45.2 million in ticket sales.

Book sales are also doing well, especially ones with happy endings. "Harlequin Enterprises, the queen of the romance world, reported fourth quarter earnings were up 32% over the same period a year earlier."<sup>3</sup> The romance category is up 7% compared to the rest of the book market, which has been flat for the past four years. With typical family budgets being squeezed, books and movies may win out. "I would give up something else if money was tight," said Annmarie Anderson, a district manager in Atlanta for a national retail chain, who said she still spent about \$100 on romance novels each month. "I would give up my manicure and pedicure. I have my priority list, and books are pretty high on my priority list."<sup>4</sup>

<sup>1</sup> "In Downturn, Americans Flock to the Movies" – New York Times, February 28, 2009

<sup>2</sup> "Friday the 13th Lasts All Weekend at the Box Office" – New York Times, February 16, 2009

<sup>3</sup> "Recession Fuels Escapist Urges" – New York Times, April 7, 2009

<sup>4</sup> As Above

## WEB SITES

If you are looking for a little escapism, check out these Web sites that review movies, books and video games.

- [www.rottentomatoes.com](http://www.rottentomatoes.com) for movie reviews.
- [www.barnesandnoble.com/bn-review/index.asp](http://www.barnesandnoble.com/bn-review/index.asp) for book reviews (and more).
- [www.gamespot.com](http://www.gamespot.com) for reviews of video games.

## CityView - continued from page 2

kilowatt produced. There is bipartisan support for the project and it will help create jobs.

**MSCA:** What impact has been seen with the completion of the Highway 65/Main Street overpass?

**Mayor Ryan:** There were strict deadlines and they stayed on schedule. Some businesses were hurt. Two that left were leased rather quickly. Only one business is still seeing a sharp decline and if it continues may have a valid action against the state. It gives three crossings and is now much safer.

**MSCA:** Do you see any major changes in transportation trends? With the North Star

line coming closer, are there any plans to lobby for stops in Blaine? Will Blaine use Metro Transit buses to connect to Fridley or Coon Rapids?

**Mayor Ryan:** We have sped up traffic on Highway 65 and Highway 10. More improvements are planned for 35W at 85th, 95th and Lake, including a new sound wall and bus lane. The focus is on 35W because that is where the back-ups are. I am very pleased to see the 610 project moving forward. In terms of the North Star line, we'll somehow tie into the Fridley stop or tie to Coon Rapids. We will connect with buses. Hopefully they look at a lower Coon Rapids stop and say 'let's tie in to Northtown.'



## EVENTS

- May 6 **Monthly Program:**  
Headline Speaker
- Jun 3 **Monthly Program:**  
Shopping Center/Mall Focus
- June 15 **Annual Golf Tournament**
- July 8 **Monthly Program:**  
Target Field/Surrounding  
Development

For program place and times and more info, please go to [www.msca-online.com](http://www.msca-online.com)

## 2009 LEADERSHIP

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Stephen Eggert, Target Corporation

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Nancy Litwin, General Growth Properties

Paula Mueller, Northtown Mall/Glimcher Properties

Tricia Pitchford, NorthMarq

Immediate Past President (as Director):

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Barry Brottlund, InSite Commercial Real Estate, Inc.

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Christopher Naumann, Christopher Max Design & Development LLC

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Steve Johnson, Solomon Real Estate Group

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Jase Stumph, RJ Marco Construction Inc.

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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.

■ **Sushi Tango** will open in its new and expanded space across the hall from its original location on the skyway level at Calhoun Square in late April or early May. Sushi Tango will move into their newly remodeled 6,000 sf in the former Good Earth space at Calhoun Square. Their high quality food and exceptional dining experience will now be offered with almost doubling their original seating, an outdoor dining area and teppanyaki, a "Japanese steakhouse" component.

■ Maple Grove's **Mt. Fuji** opened a new Uptown branch in the former Mysore at 2819 Hennepin Ave S. Amenities include a full bar, takeout, delivery and happy hour specials.

■ **North Face** will open its second retail store on April 24 in the former Smith + Hawken on Grand Avenue in St Paul. They opened their first store in Uptown last year.

■ **Andrea's Vintage Bridal** has moved from its small digs in a corner of an antique shop to expanded space, the entire lower level of the Blake Antiques building in downtown Hopkins. The new location allows for expanded offering of vintage jewelry and cocktail dresses as well as the expected assortment of bridal gowns, beaded headpieces, and antique cake-toppers.

■ **Savers Inc.** will open its eighth location at Apple Valley Square, located at the intersection of Highway 77 and County Road 42, later this spring. The roughly 27,000 sf thrift store will join stores in Bloomington, Columbia Heights, Duluth, Maplewood, Minneapolis, Rochester and St. Cloud.

## MEMBER NEWS

### WOW! Events by Kraus-Anderson Wins Two Star Awards. WOW!

Events by Kraus-Anderson won two Star awards from the International Special Events Society (ISES) Twin Cities. The awards were presented for Best Non-Profit Event for the production of the Metropolitan Economic Development Association (MEDA) "Passage to India" gala; and Best Use of Marketing/Graphic Design for the production of "KA Road Trip," a corporate event for Kraus-Anderson. Both events were produced in Minneapolis during the fall of 2008.

**Landform Relocates.** Landform is pleased to announce the relocation of its Minneapolis Office from the Butler Square building to the Crown Roller Mill building (effective March 16, 2009). The new address is: 105 South Fifth Avenue, Suite 513 in Minneapolis 55401. Phone and fax numbers, email addresses and Web site remain the same.

**Messerli & Kramer Is On The Move.** Messerli & Kramer, P.A. relocates to a different tower and new floor (effective April 27, 2009). The new address is: 1400 Fifth Street Towers, 100 South Fifth Street in Minneapolis 55402. Phone and fax numbers, email addresses and Web site remain the same.

**Solomon Relocates.** Solomon Real Estate Group has relocated to 11995 Singletree Lane, Suite 240 in Eden Prairie 55344. Phone and fax numbers, email address and Web site remain the same.

## MEMBER PROFILES

### Kathleen Rusche

Mall of America



**Primary Career Focus:** Retail Leasing

**Hometown:** St. Paul

**Family:** A wonderful husband and his 2 daughters, 2 daughters and 5 beautiful grandchildren

**Hobbies:** Golf, gardening and antiques

**Very First Job:** Selling women's shoes at Powers department store in Highland Park

**Secret Talent:** Restoring antique wood furniture

**Favorite Food:** Anything sweet, lemon bars are wonderful

**Favorite Movie:** It's a Wonderful Life

**Mentors:** My father, and my friend/mentor, Maureen Bausch

**Favorite Place Traveled:** Rothenburg, Germany

### Peter Berrie

Faegre & Benson, LLP



**Primary Career Focus:** Helping developers and retailers with their real estate legal needs

**Education:** University of Iowa (undergrad and law school)

**Family:** Wife (Robin) and two children, Max (7) and Ellie (5)

**Hobbies:** Golf and Triathlons (but I'm terrible at both)

**Secret Talent:** Bass Guitar

**Favorite Movie:** There's Something About Mary

**Mentors:** Steve Eggert took me under his wing when I first joined MSCA. It's a pleasure to be working with him now on the Executive Committee.

**Favorite Place Traveled:** Spain. It's where I met my wife (but she was born and raised in Minneapolis!).

**MSCA Involvement:** Currently the Second Vice President, and a member of Newsletter and Research Committees; past co-chair of Program Committee

## COMMITTEE CHAT

# TECHNOLOGY COMMITTEE

The Technology Committee has continued to work to bring new and improved enhancements to the MSCA Web site. Our goal is to provide the membership with the most complete and reliable information as it relates to the shopping center industry. There are many features available to you as a member of the Web site:

- Direct download of MSCA member V-cards into your Outlook contacts
- Direct download of MSCA meetings to Microsoft Outlook calendar
- Post retail, redevelopment or renovation projects
- List the clients you represent if you are a broker
- Public side of the MNCAR database listing search page
- Extensive MSCA membership directory
- Member-direct e-mail capabilities
- Quick program and event registration
- Newsletter searchable archives
- Industry and media links
- Job opportunities and posting capabilities

In the first quarter of 2009, the following features were visited by at least 1/3 of visitors to the MSCA Web site: *Member Searches, Profiles, Online Registration, and All Retail List.*

**Update Your Biography:** Further enhance your image by updating your biography in your member profile with a current photo, contact information, and biography. In the 2009 MSCA printed directory, members who updated their profile are identified by an icon next to their name. **Join LinkedIn:** MSCA formed a group at LinkedIn, a member-only group that allows members to interact and hold industry discussions. In just over two months of having the group online, already over 50 members have joined. **Read Tech Tips:** Read the monthly technology tips in each newsletter (see page 3 this month!) to help better navigate the site. We also give updates at the monthly breakfast meetings and send out regular emails to let members know of the new and most used features on the Web site.

Be sure to check out the site regularly at [www.msca-online.com](http://www.msca-online.com). If you have any ideas or suggestions, or would like to get involved with the technology committee, please feel free to contact Jim Mayland (612) 347-9311 or Doug Sailor (763) 847-6666.

## NEW MEMBERS

### JoAnn Maloney

Fredrikson & Byron, P.A.

### David Olson

Mall of America

### Peter Shun

BELFOR USA Property Restoration

### Randy Johnson

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### Scott Gruenke

U.S. Bank

### Kelly Armstrong

U.S. Bank

### Nicole Wagner

Paster Enterprises

### Mike Whalen

EFH Realty Advisors, Inc.

# WHERE HOUSES GO...SO GOES RETAIL

As the current economic climate brings continued concern among Minnesotans, the MSCA April program addressed some of the major questions in the minds of this audience. The April panel was moderated by Bruce Carlson, Vice President of Retail Development, United Properties, and included three diverse residential industry leaders:

- Michael R. Hoffman, Vice President, Business Development, Coldwell Banker Burnet
- Art Plante, Division President, K. Hovnanian Homes of Minnesota
- Brad Schafer, Principal, Schafer Richardson, Inc.

Our moderator posed questions and our panel responded accordingly. Below is a recap of the questions posed and the main points in the responses:

## **Government Stimulus - Will there be a positive impact with the passing of the stimulus package?**

The main impact on residential real estate is an \$8,000 tax credit for first-time homebuyers. Panelists agreed that more should be done at the Federal level to create more of an incentive for buyers. Panelists were split on whether it has stimulated unit sales.

## **What is the homebuyer's current mindset?**

Panelists agreed that the homebuyer is waiting for lower interest rates and affordable properties – they are looking for bargains. Panelists noted that open house business had increased year-to-date in 2009, pending sales have increased each month since 2008, and that 50-60% of closings are occurring in lender-mediated transactions.

## **Where is the bottom of the housing market? Have we hit bottom?**

The consensus was that we have not yet hit bottom. The downhill slide will continue until we see a stable job market, an increase in unit sales to a consistent level, and an overall stabilization of price valuation. Recovery will encompass a multi-step process.



April Program Presenters (left to right)  
Michael R. Hoffman, Coldwell Banker Burnet  
Brad Schafer, Schafer Richardson, Inc.  
Bruce Carlson (moderator), United Properties  
Art Plante, K. Hovnanian Homes of Minnesota

## **Where will new development occur? Is there any forward trend?**

Hesitancy is a major issue. There is no geographic trend or foreseeable direction. Buyers are moving where lower prices exist. Some outlying areas are seeing growth due to this paradigm shift.

## **Comment on the development lending and consumer lending environments.**

A factor impacting the lack of development lending is that prices are below the cost of production. It will take months and possibly years to clean up this market; it will clear out the players who should not be in the game. Consumer lending is available, however with tightened standards. Lenders are not clear on the stimulus package. Unit sales are up, the majority of them are owner-occupied, and this will result in a positive impact on retail sales.

## **When will interest rates start to rise?**

Our panelists' answers ranged from rates staying flat/low in the short term to rates staying low into 2010 to rates going up sooner than people expect. Rates are at historic affordability levels.

## **The retail factor. Does retail have an impact on housing decisions?**

All panelists agreed that retail follows housing. Other more important decision-making factors in housing choices include good schools, highway access/transportation, employment, and community services.

## APRIL PROFESSIONAL SHOWCASE

Horizon Roofing & Sheet Metal is an award winning commercial roofing company serving the Midwest. Offering commercial flat roofing, sheet metal and copper work, roof maintenance, consulting and 24/7 emergency roof leak repairs. If you have any roofing needs, please call Horizon Roofing & Sheet Metal.



## BOOKMARK

[The Ultimate Depression Survival Guide: Protect Your Savings, Boost Your Income, and Grow Wealthy Even In the Worst of Times](#)  
by Martin D. Weiss

Martin D. Weiss, PhD, is the President of Weiss Research, Inc., and Editor of the Safe Money Report, which has a reputation for warning us of crisis well before it has engulfed our economy. Amazon's Editorial Review states "...This comprehensive guide was especially designed to help people map out a practical financial plan in this unpredictable economic environment, so that they can stop worrying about their money and just enjoy life." This book will take you step by step through understanding the issues, as well as developing your plan.

Contact Christopher Max Naumann at [chrismax88@comcast.net](mailto:chrismax88@comcast.net) or Judy Lawrence at [jlawrence@karealty.com](mailto:jlawrence@karealty.com) with your reading recommendation.



## TAHER & TIMBER LODGE

In August of 2008, Taher Inc., purchased the the Timber Lodge chain with 11 locations, nine of which are in Minnesota, including a new "Sports Bar" concept called The Fieldhouse in Crystal Town Center at Bass Lake Road and Broadway.

Twin Cities-based Taher Inc., provides foodservice management for schools, senior-housing facilities and corporate cafeterias. The company serves over 200,000 meals a day in 10 states. Taher entered the restaurant market in 2007 with Wayzata Eatery and then opened the Alaska Eatery in the former Shelly's Woodroast building in St. Louis Park and acquired Forepaugh's Restaurant in St. Paul. It also owns the Nordeast Eatery in northeast Minneapolis.

The Fieldhouse has over 700 inches of the latest television technology, a state-of-the-art game room for you to "getta lil' game on." The Fieldhouse is fresh and open, with bright colors, soft, modern decor and lots of hard-to-find, cool sports memorabilia from all of Minnesota's major league teams. They even built out a special area for true purple fans. If you're more of a baseball, hockey or basketball fanatic, you'll find another corner you'll be glad to call home. You get the games you're looking for, a great menu of favorites and outdoor patio seating for those warm Minnesota evenings we have been waiting for!

CEO Bruce Taher sees room for several more chef-driven, neighborhood restaurants in the Twin Cities. The company is casually looking for other opportunities, but Taher wants to give his first stores time to grow before predicting how big the restaurant division could become.

The restaurant division "has the potential to be pretty-good-sized," he said. "It's a fun place to come, and people enjoy the food, so where do you stop? Is five enough? Is eight enough? You could go into every major community." (as noted in Mpls/St. Paul Business Journal)

The restaurant business is notoriously tough and even tougher in today's economy. However, if you have been out to eat lately, you can see that customers still crowd into certain eateries. There will always be a market for restaurants with superior service, comfortable atmosphere and great food. If you look in your mailbox or go on-line, you can see the restaurants are offering more "two-for-one" deals and the like to get customers in the door and give them perceived value.

Taher, Inc. has an outstanding chance to succeed with its restaurant lineup given that they are a diversified food service company.

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