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**Feature Article**

## MALL MARKETING: WHAT WORKS AND WHY



by **Lindsay Gardenhire, Jones Lang LaSalle**

**W**hat makes for a successful marketing event? At the Mall of America (MOA), it might be a non-profit event like the Mother's Day Race for the Cure with more than 50,000 people joining in, or a three-day event of the Great Girl Gathering that brought in more than 250,000 folks to help the Girl Scouts celebrate their 100th anniversary. At Ridgedale, they creatively promoted "What Should Santa Wear" with great success; at the Northtown Mall, they bring their retailers into many of their events with great success. We polled many of the malls and centers in the metro area for their best – and their worst – events.

Out of the eight shopping centers polled, everyone agreed that non-profit events are a great draw, especially if they are an annual event. The Shoppes at Arbor Lake's most successful event is Girl's Night Out benefiting Hope Chest for Breast Cancer, held the first Thursday in October every year. Jennie Zafft, Marketing Director, said this came from a desire to help a local charity which supported women with breast cancer and grew from there. The event expenses were covered by both the property owners and donations, with 100% of ticket proceeds going to Hope Chest.

Northtown Mall combines a charity effort with their Magical Season of Giving, their most successful program. Linda Sell, Marketing Director, plans this six week event in November and December each year. Along with the traditional children's visits with Santa, there are four pet photo nights that benefit the Animal Humane Society, and a contest where non-profits can compete for cash. The non-profits who register to participate, are responsible for their specific advertising needs. The groups accumulate points by having customers show receipts from Northtown Mall purchases, with each dollar spent being one point. The non-profits then get cash from the points redeemed. Sell says they gave out \$10,000 last year, with funding coming from both their marketing budget and sponsorships.



Rosedale Center has successfully combined an event with a charity effort too. Their Plaza Stroll event highlighted the retailers outside on the Plaza, with participants receiving a Rosedale Center swag bag for a donation to Second Harvest Foods. Complimentary appetizers from Granite City, cooking demonstrations from Williams-Sonoma, yoga demonstrations from Lucy and complimentary eyebrow waxing from Rocco

Altobelli were included in the event. Liz Ostrander, Senior Marketing Manager, helped create the event, funding it out of their internal budget. More than 400 people attended the event.

Of course, the December holiday season is a big event time at all the centers, both large and small. Ridgedale Center had a recent success with their "What Should Santa Wear" promotion. In this case, they tied it to their loyalty based email program, the Club, where those who

joined the Club were entered to win \$1,200. Audra Robinson, Marketing Manager, tells us the idea came from another one of their properties, and simply added other elements to make it work for Ridgedale. Funding was done at the property level as a marketing expense. Robinson planned the six week event, including mall events with radio station partners and promo spots for their Facebook page. Brand ambassadors passed out registration forms on Black Friday, and shoppers received free hot cocoa and a premium Ridgedale bag filled with offers and tchotchkes. They gained over 850 new Facebook fans during the promotion, and Santa photo sales were up 5.4% over the previous year.

For events throughout the year, MOA takes advantage of their large draw and rotunda space, bringing in large numbers of customers with a variety of marketing events. Dan Jasper, Vice President of Public Relations, tells us that celebrity appearances and performances are always strong, along with non-profit events, family oriented events such as Toddler Tuesdays and annual social events, such as Scrapfest.

*continued on next page*

Highlights in 2012 included Nickelodeon Universe "Blackout" with 35,000 in attendance, Diana: A Celebration with 75,000, Lego Creation Celebration with 10,000, Hunger Games Cast Appearance with 8,000 and China McClain & the McClain Sisters performance with over 12,000. Even Arnold Schwarzenegger brought in 1,000 participants!

Southdale Center holds a variety of events at their center, ranging from Baby's Expo's to their Kidgits Club events. Lauren Carpenter, Director of Marketing & Business Development, tells us the recently held Vehicle Day "Wheels Around Town" was a big success. The City of Edina had approached Carpenter with the idea two years ago, and it has become an annual event. They had more than 30 vehicles this year, with fire trucks, wood chippers, antique busses, tractors, and tanker trucks, along with activities such as face painting and backhoe simulators for the kids. Edina, Bloomington and Richfield contributed to the funding, as well as Southdale's marketing fund.

Unfortunately, not everything goes as planned in the marketing world. Weather and other unforeseen circumstances can oftentimes make for an unsuccessful event or promotion. Zafft from The Shoppes at Arbor Lakes tried to do a Shop Hop event to appeal to the "baby boomers." It proved to be extremely difficult to market to this specific group, and realized concert and events that appeal to all ages work better for them. Sell from Northtown Mall said their mall-wide coupon books don't work as well as they used to. National retailers are running much tighter budgets with less inventory and more strategic sales, and are less willing to put out a coupon for a whole year, especially with a larger percentage off value. Northtown Mall now only prints a fraction of what they used to for non-profits to sell and keep the proceeds.

Rosedale had a tree lighting event planned for Black Friday – and ended up on a day with freezing temperatures! The hired singing group couldn't perform in the frigid weather, so they brought the musical groups inside the mall and offered free cider to shoppers. Ostrander's advice is to always have a back-up plan; no guarantees with outside events in Minnesota (as we well know this year!). Nicole Wagner, Marketing Manager for Paster at the Crystal Shopping Center, has also had to deal with weather related problems. Their holiday event - always a successful event – was canceled in 2011 because of a snow storm and rescheduled for the following weekend, resulting in lower attendance. She agrees with Ostrander – always have a backup plan for uncooperating weather!

MOA tries to stay away from events that have little or no interaction with their guests, as well as those last minute events with minimal pre-promotion. Ridgedale Center planned a Mother's Day event, only to have it under attended due to Minnesota fishing opener weekend and a long awaited sunny day. Robinson's advice? Always find out if there are other local or national events that may affect your mall's event traffic.

Carpenter at Southdale Center, summarizes it well, stating "no matter how grand the idea is, the planning behind it is key. You must be organized, think of your consumers and what they want. Utilize teamwork to execute each event seamlessly." At Southdale, Carpenter works closely with security, operations, housekeeping as well as the rest of the management team to ensure success. At the end of the day, you learn from your mistakes and take that opportunity to grow. Shopping center marketing is challenging in that the dynamics are constantly changing. Know your shopper, and prepare for the unexpected.

## Property Management

# EMERALD ASH BORER (EAB)

by **Bobby Jensen, CLP,**  
**The Lawn Ranger Outdoor Services**



Since 2002, emerald ash borer has killed tens of millions of ash trees. With the largest concentration of ash trees in the country almost one billion, Minnesotans have a lot at stake. EAB does not discriminate between a stressed ash tree and healthy one, once an ash is attacked, it will be killed!

### Identification

- Canopy dieback starting at the top 1/3 progressing until the tree is bare
- Leaves sprouting from the trunk, roots and base of trunk
- Bark splits and serpentine track appear below
- Woodpecker activity
- D-shaped exit hole



If a tree has lost more than 30 percent of its canopy, it is probably not necessary to save the tree.

### Treatment

Micro-injections into the trunk are the most effective, and give two year protection. It is best to begin using insecticides while trees are still healthy. A tree must be healthy enough to carry a systemic insecticide up the trunk and into the branches and canopy.

The rule of thumb is to protect trees within fifteen miles of an infected tree. The area would minimally include Long Lake west, Maple Grove/Lino Lakes north, St Croix River east and Hastings/Lakeville south and growing every day as new infestations are found.

Make an evaluation of the Ash trees on your property, all trees need not be protected, healthy specimen trees should be saved, others might be removed now and replanted to get a head start on the eventuality.

Species that might be good replacements are Ginko, Kentucky Coffee, Norway Maples, Hickory, White Oaks and the disease resistant Elms which Minnesota's St. Croix Elm will be available in a few years.

## Member Profiles

### Eric Tuck

McGladrey LLP



**What is your primary career focus?** Income tax consultant

**What is your favorite Disney movie?** Muppet Treasure Island

**What junk food is your weakness?** Donuts

**What makes you feel old?** Visiting colleges with my oldest son

**What is something you have always wanted to try?** Surfing

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

Any fix-up project

**What is your favorite board game?** Stratego

**What is your favorite alcoholic drink?** Rum and Coke or Mojitos

**What was your favorite toy as a kid?** Nerf Football

**How many rings before you answer the phone?** Two

**What is something you said you would never do, but did anyway?** Skydive

**How long have you been an MSCA member?** 18 Years

### Joe Unger

The Lawn Ranger, Inc



**What is your primary career focus?** Quality, Keep People Happy, Enjoy Job, Have Fun

**What is your favorite Disney movie?** Fantasia

**What junk food is your weakness?** Cookies

**What makes you feel old?** "Really? You were born in 1995?"

**What is something you have always wanted to try?** Snow Skiing in Andean Mountains of Chile

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

**What is your favorite board game?** Monopoly

**What is your favorite alcoholic drink?** Wine

**What was your favorite toy as a kid?** Mr Potato Head

**How many rings before you answer the phone?** 2.5

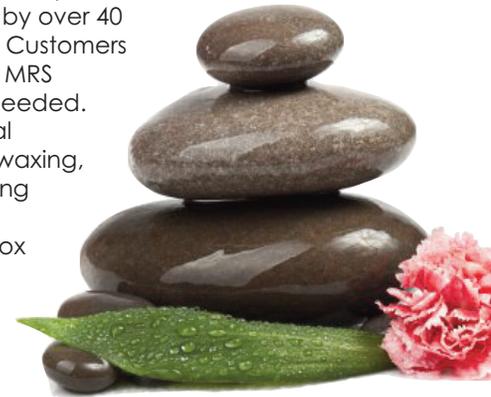
**What is something you said you would never do, but did anyway?** Hang Gliding off cliffs south of Red Wing

**How long have you been an MSCA member?** 5+ years

## Rising Star

# MASSAGE RETREAT & SPA (MRS)

MRS, a Minnesota-based company in New Hope, was started in 2007 by Lee Oberg, a former Lifetime Fitness marketing director. Their successful format includes massage and skin therapy services in a warm, upscale environment, supported by over 40 employees per location. Customers can elect to be monthly MRS members, or walk in as needed. MRS also offers additional services such as facials, waxing, med spa services including chemical peels, microdermabrasion, botox fillers, laser treatments and chiropractic. Their corporate locations range from 2,400 sf to 3,600 sf in shopping centers or highly visible traffic locations.



They currently have four Minnesota locations (Plymouth, Shoreview, Edina and Savage) with four more planned for 2013 (Maple Grove, Woodbury, Eden Prairie and Coon Rapids). Oberg projects eight additional corporate locations in 2014, and plan to rollout a national franchise program that same year.

## NEW MSCA MEMBERS

David Feinwachs, Paster Enterprises

Christopher Bub, Fafinski Mark & Johnson, P.A.

Eric Galatz, Leonard, Street and Deinard

Erica Delain, Leonard, Street and Deinard

Stanton (Skip) Fitting, Natural Reflections, LLC

Clark Young, McDonough's Water Jetting and Drain Cleaning

Elliot Christensen, Shingobee

Tom Ryan, Oppidan, Inc.

Al Golz, KW Commercial

Dan Steuernagel, Birch Lawn Maintenance

Dennis Richardson, TCF Bank

Ole Froystad, Mid-America Real Estate - Minnesota, LLC

Mike Marzinski, Marcus & Millichap

Doug Arndt, KW Commercial

Melissa Duce, United Properties



■ **Mall of America** unveiled a new logo and tagline. The logo is a brightly colored star, although the individual colors are designed to be interchangeable. The new tagline will be "Always New," playing up the fact that the mall constantly adds new retailers, rides, exhibits and events.

■ A new bakery called **The Buttered Tin** will be opening in mid-June at the corner of 7th Street East & Wacouta in St. Paul.

■ **Walmart** formally broke ground on two new supercenters in the metropolitan area. In Cottage Grove, they held a ceremonial ground breaking for its 180,000-sf supercenter on the site of the old Cottage View Drive-In. The store is scheduled to open next spring. In Roseville, they held ground-breaking ceremonies for its 160,000-sf supercenter at County Road C & Cleveland Avenue. That store is also set to open next spring.

■ Frozen yogurt chain **Yogurt Lab** is adding four locations in the Twin Cities area. Its newest shops opened in May in Eagan and downtown Wayzata. Minneapolis-based Yogurt Lab also plans to open two more locations in the fall in Uptown and Apple Valley.

■ Galleria designer accessories boutique **StyledLife** closed at the end of May. The decision to close was a personal one for

owner Kevin Quinn—not driven by store sales, which he described as "flat, but not bad."

■ Southdale Center says it will add three new stores to its lineup this fall: **Sperry Top-Siders**, **Vera Bradley** and **Kay Jewelers**. Sperry Top-Sider, a Richmond, Ind.-based shoe manufacturer, will open a 2,156-sf store. This will be the company's first Minnesota boutique. Vera Bradley, a Fort Wayne, Ind.-based company that sells bags, handbags, purses and backpacks, will open a 2,300-sf store. It will be the brand's second store in Minnesota, joining a location at the nearby Mall of America. Kay Jewelers is returning to Southdale with a 1,506-sf store near the new dining pavilion. The Akron, Ohio-based retailer used to have a store at the shopping center, but closed it a couple of years ago, before work began on a major renovation. It has 15 locations in Minnesota.



■ Israeli bath and body brand **SABON** opened its first Twin Cities store at Mall of America. SABON has an international network, with over 130 stores around the world: New York, Tokyo, Amsterdam, Rome and more.

■ Burnsville Center announced two new stores that will open this summer:

**Body Central** and **P.S. from**

**Aeropostale**. Body Central sells trendy women's clothing, footwear, jewelry and accessories. It will occupy 4,541 sf near Sears on the mall's upper level. P.S. from Aeropostale is a spinoff of Aeropostale that sells clothing for children between 4 and 12 years old. It will take a 3,918-sf space where Old Navy is downsizing its store.

■ Bloomington-based **Holiday** has purchased seven SuperAmerica (SA) branded convenience stores in Rochester and reopened five of them as Holiday Stationstores. The other two stores were closed, but a Holiday official said the company planned to build more stores in the market. The Rochester SA stores converting to Holiday are at 701 Broadway, 400 Fourth Street SE, 919 37th Street NW, 1520 Second Street SW and 5505 U.S. 52 N. The two that are closing are at 2025 S. Broadway and 601 11th Avenue NW.

■ **Steele Fitness**, the growing health-club chain, is teaming up with athletic apparel giant Under Armour Inc. on a retail-store venture. The partnership will initially open a 2,500-sf store, called Under Armour for Steele, in Edina's 50th & France. It will sell co-branded workout gear and sneakers.

■ Minnesota now boasts its first fully-dedicated fresh-pressed juice bar. **Truce** (a cheeky portmanteau of true and juice) opened in late April in Uptown.

■ The vacant gas station at 40th & Lyndale

could transform this fall into the **Crooked Pint Ale House**. Owner Paul Dzubnar, who also owns Green Mill and a stake in Town Hall Brewery, said he's planning bocce ball and a retractable roof for outdoor dining.

## BODY CENTRAL



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**Immediate Past President** (as Director)

**Paula Mueller**, Northtown Mall/  
Glimcher Realty Trust

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**Paul Berg**

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Minnesota, LLC

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#### STARR Awards

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**Eileen Engels**, Verizon Wireless

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**Deb Carlson**, Cushman & Wakefield/NorthMarq

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- Jonathon Diessner, Kraus-Anderson Companies
- Lindsay Gardenhire, Jones Lang LaSalle
- Richard Jahnke, Sunbelt Business Brokers
- Natina James, RSP Architects, Ltd.
- Jim Klym, Kraus-Anderson Companies
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- Vicki Van Dell, Loucks Associates
- Nicole Wagner, Paster Enterprises
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member of the  
Newsletter  
Committee with  
suggestions or article  
ideas.

Notice throughout  
the newsletter, that  
names that are  
green and  
underlined are linked  
to that individual's  
email address.

## MEMBER NEWS

**Daniel Gilchrist**, an attorney and partner at Lindquist & Vennum was elected for a one year term on the board of directors for the Hennepin County Bar Association.

**Tricia Pitchford**, Senior Director for Cushman & Wakefield/NorthMarq, was honored by the Minneapolis St. Paul Business Journal as one of their 40 under 40 leaders in the marketplace for 2013.

# FINANCING YOUR RETAIL PROJECT: WHAT'S NEW, WHO'S BACK, AND WHO NEVER LEFT?

by [Susanne Miller](#), Loucks Associates



May's program focused on the debt market and peeled back the intricate layers involved in retail financing. Moderator Eric Bjelland, Cushman & Wakefield/NorthMarq, kicked off the event by asking featured panelists to provide a brief overview of their firms and the market:

## MARK VANNELLI, Principal, Towle Financial Services

Mark oversees mortgage originations, is not into recourse lending, and does not focus as much on appraisals as the banks. Towle spends more time internally underwriting the deal and 70-75% of his lending is in retail. In a nutshell, life insurance companies never left the retail market. Historically, life insurance companies have not viewed banks as competition, but the game has changed, and now it is more difficult to compete with banks on loan-to-value (LTV). Banks are more willing to open a loan on year three or five, but typically cannot match the funding of life insurance companies. The bottom line? Each workout deal is its own animal.

## TODD STREED, Vice President, MidCountry Bank

Todd commented that his biggest challenge in lending to retail properties is the concept of value. MidCountry Bank is local and lenders enjoy strong relationships with developers in the Twin Cities community, both of which are great advantages. Todd looks for LTVs at 60%-80% of value. When MidCountry Bank underwrites on the front end, the bank typically looks higher than where appraisals come in today. The need for new appraisals is definitely a function of the stepped-up regulatory environment.

## STEVE KAY, Managing Director, Cantor Commercial Real Estate (CCRE)

Steve focuses on the CMBS market and uses capital markets to exit on loans. In first quarter of 2013, CCRE had \$12 million in securitized product and one-third of this was retail. Firms like CCRE have a definite appetite for retail lending; Steve commented, "There is not a product type we won't compete on." Tighter spreads are helping CCRE get to the place borrowers need to be. When asked how borrowers



Speakers – Left to right  
**Eric Bjelland** (moderator) – Cushman & Wakefield/NorthMarq  
**Todd Streed** – MidCountry Bank  
**Steve Kay** – Cantor Commercial Real Estate  
**Mark Vannelli** – Towle Financial Services

## PROFESSIONAL SHOWCASE



**The Mandinec Group Landscaping, Inc.** celebrates its 19 year providing landscape design and maintenance for both commercial and residential customers. They offer Ash bore treatments and a wide verity of money savings tips for your property. Whether you wish to install new landscaping or would like to enhance your property, contact The Mandinec Group Landscaping, Inc. and they will be able to add beauty and value to your property.

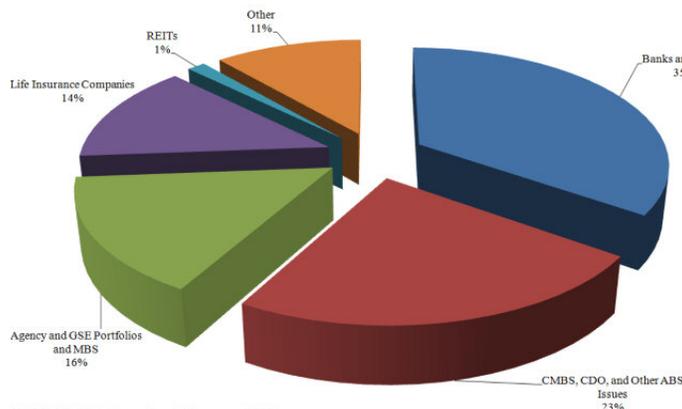
make their way to CMBS lenders, Kay shared 90% of the business comes their way via intermediaries. In 2012, CCRE had \$275 million securitized in Twin Cities retail, and Steve is always looking for reasons to put additional money into the marketplace.

Eric presented case studies to the panelists in order to clearly illustrate the types of deals that are of interest to each lender:

**Deal #1:** Grocery-anchored; five years on grocery lease; 100% occupancy. MidCountry cares about the sponsor and will look at the primary source of repayment; grocery lease is definitely a factor. At the end of the day, Todd could get comfortable

with the deal, but if the grocer goes away, this becomes a bad deal. Mark will look at the deal with 60% LTV and 15 year amortization, with the assumption that the location is favorable. The five year lease doesn't scare Mark, and he would want more details on the deal. Steve likes the deal and wants more detail regarding the sales of the grocer and capital reserves.

## OUTSTANDING DEBT



SOURCE: MBA, Federal Reserve Board of Governors, and FDIC

continued on next page

**Deal #2:** Neighborhood center located in West Bloomington. Five tenants. One vacant but paying rent. This is Todd's deal "all day long." Mark would go down to \$2 million, no reserves, no recourse; 60% -70% LTV, with 15 year amortization. Steve likes to stay above \$5 million; no credit for the vacant space and wants built-in liquidity.

**Deal #3:** Proposed center; 50% pre-leased; ex-urban market located thirty minutes south of the Twin Cities. This is a tough deal for Todd. His general sense is the borrower would need 60%-plus pre-leased. Todd wants 1:1 debt ratio, and needs to reach 65% to close the deal. Mark will not rule this deal out; if proposed center is carved into three parcels, the deal begins to look interesting to him. The "door is ajar," but Mark may point the developer "towards a Wells Fargo." Steve simply remarked, "I am a cash flow lender."

**Deal #4:** Brand-new, freestanding Caribou, 10 year lease term, 2.5% annual bump, outstanding location, national credit rated AAA, acquisition. Todd looks for 25% cash down, 10 year term; five year fixed, seven and three, 25 year amortization. Mark is willing to structure with 12 year term or greater and needs to look at the rent, which may not be commensurate with the market, "if we can comp it, we can do it." Steve will give it a look and needs 20 year amortization, also keeping in mind that Caribou recently closed 80 stores.

### May Program Takeaways and Trends

- > Consolidation of retailers.
- > Relocation / repositioning / rightsizing.
- > Urban / Infill – attractive deals to all!
- > Leverage is a selling point in working with Commercial mortgage-backed securities (CMBS) firms.
- > Transactions continuing to pick up more quickly in the Twin Cities than elsewhere.

### Hot App

## MAGICPLAN

Ever need a quick measurement of a break room, office or bathroom? Well there is an app for that. MagicPlan is an application that turns pictures into floor plans. It includes measurements and complete square footage. You can get your floor plan in PDF, JPG and DXF format. After creating the floor plan users can then add desks, tables and counters for space planning. A great tool for retailers and brokers plus it's free!



### MSCA SUMMER HOURS

*effective Memorial Day – Labor Day*  
**Monday – Thursday 8:00am – 5:00pm**  
**Fridays – 8:00am – noon**

## Legislative News

by **Sonnie Elliott** and  
**Rich Forschler**,  
**Faegre Baker Daniels LLP**



The 2013 Minnesota Legislative Session adjourned minutes before the midnight deadline on May 20, 2013. MSCA was successful in stopping several proposed initiatives and passing the efairness act.

Governor Dayton presented his budget recommendations in January which included an expansion of the sales tax to include business to business services and clothing items of \$100 or greater. MSCA, along with our colleagues in the business community, expressed strong opposition to these changes and the Governor quickly retreated from the business to business recommendations and the sales tax expansion to clothing.

Later in session, the House and Senate produced their own tax legislation. Of particular concern was a provision in the Senate tax bill that increased the Statewide Property Tax by \$139 M for the 2014 – 15 biennium and \$220 M in the following biennium. Strong opposition from the business community stopped this idea from being included in the final tax bill.

The 2013 tax bill did increase taxes by \$2.1 billion. This was achieved largely by: creating a 4th tier income tax; increasing tobacco taxes and an extending the sales tax to some business to business services. At least one of these new taxes, on warehousing services, will be revisited over the interim and in the next Legislative Session prior to its effective date of April 2014.

Although a major funding package for roads and transit did not pass this year, the Transportation Utility Fee was again brought forward by the League of Minnesota Cities as a way to pay for local transportation infrastructure. The proposal would provide authority to cities to impose a -to-be determined tax on property owners. It allows city councils to impose an additional property tax without showing a direct benefit to an affected property to justify imposing the new fee. MSCA joined a large coalition of nonprofits and businesses in opposing this new tax and we ultimately prevailed in defeating the measure; although not until the very end of session.

MSCA will continue to work with our business partners, during the interim and into the 2014 Legislative Session, to promote a better business climate for the Minnesota shopping center industry. The Legislature reconvenes on February 25, 2014.

# ICSC RECON RECAP

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



**M**SCA members were well represented at ICSC RECON this May in Las Vegas, and the by just about all was optimistic. Many commented that fundamentals continue to strength and retailer demand is increasing. Consumer spending is up 2.4% year over year; retail sales are expected to increase 3.3% in 2013. Low inventory, cheap credit and increasing tenant/retail demand is aiding valuations and tightening up cap rates. The current retailer demand is shifting negotiating dynamic back to landlords. Many shopping center owners said they were doing better; their small shop owners still in business are showing strength and look good for long term survival. Lots of franchise action.

The internet effect was discussed everywhere. "Omnichannel" was the buzzword of the convention – both retail tenants and landlords are working to integrate bricks and mortar locations with the internet activity for sales, showrooming and marketing.

Some specific department store comments:

- **JC Penney:** Although 2013 store closures are probable, the downturn in sales is likely to stop. Their new merchandising component of creating a "store within a store" was executed well, but was overshadowed by the pricing failure. Now that they have reverted back to their original pricing store, their future is more optimistic.
- **Macys:** Integrating well online with stores, some even say it's the gold-standard for other retailers to mimic. Interestingly, many said that Macy's is rooting for JC Penneys to succeed as they share center locations and want the customer traffic to be maintained.
- **Saks:** They are rolling out Saks Off-Fifth online now. Their head of real estate was heard saying that they recognize the importance of both stores and internet sales, wanting shoppers to persue selections either in-store or on-line, with returning goods going to either. They want a larger presence in the outlet centers, with over 40 in the planning stages. (Note that Finance and Commerce recently stated that Saks has signed an LOI for 28,000 sf at the new Paramount outlet center planned for Eagan.) Saks did just announce that they have hired Goldman to explore strategic alternatives, including a sale of the company.

It was noted that there was only one traditional US mall that opened in 2012; balance of mall development was in the outlet arena.

On the topic of neighborhood and community shopping centers, many attendees noted that supermarkets were now holding their own in their marketplaces by merchandising to local residents, and offering stronger ethnic goods. However, the supermarket business has certainly changed in the past few years since the recession hit – shopping patterns have changed with the customers now splitting up their food dollars into many different purveyors for a more fragmented dollars. Customers will shop more stores, including non-traditional grocery outlets competing; i.e. dollar stores, drug stores, etc. Small independent grocers are disappearing.

One very bright star that was talked about is Dick's Sporting Goods. They opened 38 new stores in 2012, and plan to open 42 more in 2013. They have found strong success in malls across the country, liking the higher traffic generated in malls that generate high sales and profits. Mall owners like the

retailer bringing in a crossover lifestyle tenant that is bringing new customers into their properties.

And what about e-commerce? Lots of talk about the increase of Amazon (which is projected to surpass Walmart in 2013). Amazon is constructing 100 – 150 fulfillment centers in the US in an effort to provide customers with same day shipping. Retailers that are targeted by most to have the most impact by Amazon are the specialty big box stores; Best Buy, Bed Bath & Beyond. Traditional retailers have amped up their internet offerings, but their profit margins are slipping due to the pressure of free shipping and free returns. With this tightening of margins between internet sales and store sales, this may impact retailer strategies going forward.

**HORIZON**  
—roofing

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**29 Awards Won**

**#1 Reporting System In MN**

**INC 5000 Fast Company List**

**93% Growth In The Last 3 yrs**

*HorizonRoofingInc.com*  
**612-333-1481 320-252-1608**

***Luck had nothing  
to do with it!***

## FAREWELL AND THANK YOU!

After eight great years, we are very sad to see Stacey Bonine, Associate Director, leave MSCA.

We want to thank her for her years of service, dedication and commitment to MSCA. We wish her well in her new position with the Midwest Energy Association.

If you didn't get a chance to wish her well, feel free to send her a message [stacey\\_boninie@msn.com](mailto:stacey_boninie@msn.com).

MSCA is in the process of filling the Associate Director position.



# 2013 CALENDAR

For more information and registration, go to [www.msca-online.com](http://www.msca-online.com)

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

## CALENDAR KEY

-  Monthly Program
-  Third Thursdays
-  Learning Sessions

## THIRD THURSDAYS

### Next Meeting:

**Thursday, June 20, 2013**

### Time:

**8:30 am – 9:30 am**

**Where:** **Panera Bread**,  
3345 Hazelton Road,  
Edina, MN

### Member hosts:

**Emily Becker**,  
Cushman &  
Wakefield/ NorthMarq

**Matt Drier**,  
NaturalGreen  
Landscaping  
Management

**What:** Casual  
networking hosted  
by MSCA members

**When:** Third Thursday  
of every month from  
EITHER 8:30–9:30 am  
or 4:00–5:00 pm.

**Why:** Create synergy  
in the commercial  
real estate  
industry—share ideas  
and stories and  
make new effective  
relationships. There is  
no fee for this event.  
Food and beverage  
are not included.

**RSVP to Karla** is  
preferred, but not  
required.

## JANUARY

SUN	MON	TUES	WED	THUR	FRI	SAT
		1	2	3	4	5
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13	14	15	16	17	18	19
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27	28	29	30	31		

## FEBRUARY

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## MARCH

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## APRIL

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## MAY

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## JUNE

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## JULY

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## AUGUST

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## SEPTEMBER

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## OCTOBER

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## NOVEMBER

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## DECEMBER

SUN	MON	TUES	WED	THUR	FRI	SAT
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To view MSCA program presentations, [click here](#).

# STARR<sub>SM</sub> Awards

## CALL FOR NOMINATIONS



**Projects Completed by:** September 1, 2012 - August 31, 2013

**Deadline:** Nominations must be received via mail or fax by **July 12, 2013.**

### Categories

Please check ONE (1) box.

The annual MSCA **S**hopping Center **T**ribute **A**wards for **R**etail **R**eal Estate (STARR<sub>SM</sub>) 2013 competition recognizes outstanding projects and industry leaders of Minnesota retail real estate and development.

#### 1 Interior Design

- Restaurant/Food Service
- Retail/Non-Food Service

#### 2 New Construction

- Retail under 10,000 sf
- Retail 10,000 sf – 25,000 sf
- Retail over 25,000 sf

#### 3 Design & Aesthetics Renovation/Remodel

A retail project that was an enhancement of an existing retail structure.

- Interior Retail under 5,000 sf
- Interior Retail 5,000 sf – 20,000 sf
- Interior Retail over 20,000 sf
- Exterior Retail under 20,000 sf
- Exterior Retail over 20,000 sf

#### 4 Development Process

- Any size project with a retail component that had unique development issues, site approvals, technical and financial challenges and/or incorporating sustainable design, materials or construction techniques.

#### 5 Redevelopment

- Any size project with a retail component that had an identifiable change of use to the project.

#### 6 Mixed Use

- Any size project encompassing retail and other non-retail uses where retail has made a significant contribution.

#### Eligibility

Projects completed and occupied between September 1, 2012 - August 31, 2013 are eligible.

Entries must be within the state of Minnesota.

Any one retail project may be submitted in multiple categories (use a separate form).

**There is no fee associated with making a nomination.**

Upon qualification, projects are subject to a fee. Upon receipt of all nominations and after qualification, MSCA will mail final entry forms, guidelines, judging criteria and fee information to the submittal contact.

Awards will be presented at the STARR<sub>SM</sub> Awards holiday party on **Tuesday, December 3, at Golden Valley Country Club** in Golden Valley.

Name of Nominated Project \_\_\_\_\_

Award Category \_\_\_\_\_

Project Address \_\_\_\_\_ City \_\_\_\_\_

Nominated By \_\_\_\_\_ Phone \_\_\_\_\_

Submittal Contact \_\_\_\_\_ Phone \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

Email \_\_\_\_\_

Copies of this form are acceptable. If you have questions, please contact Karla Keller Torp at (952) 888-3490.

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