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# Enhancing Our Industry & Advancing Our Members



## RETAIL ADAPTATION, A SPACE ODYSSEY



by Johnny Reimann, MID-AMERICA REAL ESTATE – MINNESOTA, LLC

A retailer’s credit, store count and net new store goals often translates to flexibility (or lack thereof) in making concessions from prototype size and layout. A health club with five gyms and the desire to double their number of locations in a year is going to be much more willing to concede outside their standards than a 500 store chain. The larger chain knows exactly what does or doesn’t fly from a longer track record over hundreds of deals, not to mention a fleet of store designers that don’t want anything “outside the box”. For these larger companies, the deal maker often must set the line between their own design group looking for space delivered exactly to spec, with a Landlord possibly hoping to swap out signs and hand over the keys (if it were ever that simple).

In today’s world of accommodating retailers in retrofit space not originally designed for their needs, striking that balance between value engineering and following retailer prototype to the letter is often the dance to determine if an economic deal can be reached. Five Below has been in fast paced growth mode and a good example of an adaptable retailer with good credit and operation. Wanting 8,500 square feet and just under sixty feet of frontage, they have ability to take on larger footprints to accommodate additional depth as a solution to larger vacancies. Their ability to load with a dock or at grade roll up door also allows the brand to fit into different centers. In exchange for prominent junior box presence and cotenancy that maintains the image of this quality retailer, they provide some tremendous flexibilities to LL’s with deep space, limited frontage and limited loading docks. Many retailers can lease more space than they really need, but the total rent can’t typically increase beyond their rent threshold if the space were proto size.

Aldi has also been on a growth tear, in part for their adaptability to different scenarios. In Minneapolis, a new grocery store with structured parking was challenging for both Landlord and developer, but the proverbial juice was worth the squeeze to get approval in a tough to penetrate urban market. This new store will be a first of its kind in the Midwest. Last year the brand leased a 28,000 square foot space to keep a competitor out of the deal and now have opened with a vacant 8,000 square feet of sublease space available next to the store. The grocer seems to show flexibility to a point, but the fundamentals for operations like frontage, loading and access need to meet their national standards to get shoppers through the store. Landlords must exercise creativity when putting the Tetris pieces together to give each tenant what they need for front and back of house functions, while limiting “dead space” in the rear of former boxes looking for new life.

When it comes to new construction, some premium brands abide by the snowflake approach - build no two stores exactly alike. Each new Shake Shack space is intended to cater to market demand in size, and layout. The new restaurant on the outlot to Southdale will be substantially different than the restaurant at Mall of America. Starbucks has a weighted focus on store design, aesthetics and painstaking effort to maximize efficiency. Ultimately

- continued on page 2

*Many retailers can lease more space than they really need, but the total rent can’t typically increase beyond their rent threshold if the space were proto size.*





**CONTINUED: RETAIL ADAPTATION, A SPACE ODYSSEY**

the goals are to cater the customer experience and maximize sales volume with efficiency of the drive-thru layout and store interior. Take a rectangular space generally fitting their dimensions, each and every store is planned from the inside out from truss to location of trash enclosure accommodating designs and coffee offerings catering to that particular neighborhood. If the company feels a particular location will have a larger café presence (walk in and sit down), it's harder to concede to less seats in a tight space. If a market is particularly affluent, the brand may tinker with higher end coffee experiences or equipment affecting the rest of that store's layout. Portillo's, with a cult-like following and in an expansion mode via new construction, is tolerant to adapt the building size and layout, but drive-thru is an absolute

must-have. A new Roseville location, opening in January, will have 2nd floor seating to accommodate the site's restrictions and still get the seating to meet code.

Today's retail development market is highlighted by conservative new construction (meaning the days of building on spec are seemingly gone) and those retailers and landlords who are able to think creatively and adaptively to retrofit space in the spirit of striking the best economic deal are winning out. What seems certain is that each user and space are unique, so the circumstances will always be driven by the specific deal and market. Those who can adapt on either side of the transaction will continue to reach their goals.



**REMEMBER TO VOTE ON NOVEMBER 6TH!**

USE THE FOLLOWING LINK TO FIND YOUR POLLING PLACE AND CANDIDATES ON YOUR BALLOT: [HTTP://POLLFINDER.SOS.STATE.MN.US/](http://pollfinder.sos.state.mn.us/)

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# HIGHLIGHTS OF MSCA OVER 30 YEARS

1988

Founded

1989

Retail Report

1992

Golf Event

1994

Member of  
the Year

1993

STARR<sup>SM</sup> Awards  
originally called the  
Awards of Excellence  
founded in 1990

1993

Founded  
The Caring Tree  
501(c)3

1995

Hired Lobbyist Firm  
Faegre Baker Daniels LLP  
(formerly Faegre & Benson LLP)

1998

Committee  
Member of  
the Year

2000

Self-Managed

2008

Rebranded  
MSCA

2005

Hall of Fame

2002

Professional  
Showcase

2010

Third  
Thursdays

2011

Learning  
Sessions





## Minnesota Marketplace



by Johnny Reimann, MID-AMERICA REAL ESTATE – MINNESOTA, LLC and Anna Blake, COLLIERS INTERNATIONAL

▶ **LA DONA CERVECERIA** opened its doors on October 20th, bringing a Latino-influenced brewery and mini-soccer field to Minneapolis. The brewery hosts recreational soccer as well as 3 on 3 league play.

▶ MPR selling 1,000 seat **SAINT PAUL'S FITZGERALD THEATER** to First Avenue.

▶ A NE Minneapolis portfolio of eight buildings including the homes of **SOCIABLE CIDER WORKS** and **BAUHAUS BREW LABS** was sold to Chicago-based R2 Cos for \$34M.

▶ **US BANK** plans to lay off 1% of total workforce, but didn't comment how many of that 700 people would be from Minnesota.

▶ **TARGET** offers consumers 2 day shipping as the Holiday season approaches to try and compete with Amazon Prime and other online retailers.

▶ **FOURPOST**, a new retail concept coming to the Mall of America is part WeWork, part food court and other small brands have leased space. The 10,400-square-foot store is located on level 2, South, and will open on November 1.

▶ **UNITED NATURAL FOODS INC.** closed on its \$2.9 billion acquisition of Supervalu Inc., setting the stage for a transformation of the Minnesota-based grocery retail and distribution company.

▶ **HOBBY LOBBY** will replace the closed Minnetonka Toys R Us, the chains largest Minnesota location.

▶ **NORTHERN FIRES PIZZA**, which build a fan base from its appearances at Minneapolis farmers markets, will move into 4301 E. Lake St., the space occupied for decades by Dragon City Cafe.

▶ **SHAKE SHACK**, opened its second Twin Cities location. a standalone 5,108-square-foot restaurant at the corner of 66th Street and France Avenue in late October. This location features its typical menu, with local additions like desserts from Café Latte and Summit Beer amongst other offerings.

▶ Twin Cities based **SUPERAMERICA** rebranding as Speedway after giant merger, and new ownership under Marathon Petroleum Corp.

▶ **SEARS** has filed for Chapter 11 bankruptcy and will be closing two of their three remaining stores in our market, St. Paul and Ridgedale locations, while their Mall of America will remain open.

▶ **SEPHORA** recently opened in 4,700 square foot space at Woodbury Lakes Lifestyle Center and is one of the many tenants coming to the lifestyle center.

▶ The high-end steakhouse, **801 CHOPHOUSE**, will be coming to Nicollet Mall. They are leasing 11,180 square feet on the first floor in the RSM Plaza, which used to be home to Barnes & Noble.

▶ **DOLLAR TREE** has signed a lease to occupy 12,000 square feet at The Shops at Gateway North in North Branch.



▶ **CAFÉ ZUPAS** is recently opened at the Ridgedale pad site.

▶ **HIBACHI DARUMA**, a Twin Cities food truck specializing in Japanese cuisine, is planning a new sidewalk café in downtown Minneapolis at 820 Marquette Avenue S. The former site of Indian restaurant Bombay Bistro, and across the street from Manny's Steakhouse.



**RISING  
STAR**

## MARTINA



by Paula Klimek-Partch, SULLIVANDAY CONSTRUCTION

### IT'S EASY TO SEE, AFTER DINING AT MARTINA, WHY THIS RESTAURANT IS A "RISING STAR!"

We had made dinner reservations for a Monday and upon arriving, the place was packed! Pretty impressive for a Monday evening! So, what makes this restaurant so wildly popular? Here are our observations.

#### AMBIENCE

On a scale of 1 to 10, the ambience scores a 10. Lush green plants, an airy vibe, clean architectural lines, soft, cozy lighting.

#### AMAZING SERVICE!

Our server Amanda really knew her craft. She shared with us that she recently decided to come back into the restaurant industry because of Martina. She said that the folks who own and work at Martina do so because they are clearly interested in and passionate about the culture of Argentina and bring this enthusiasm to the space.

#### WHERE DID THE NAME MARTINA COME FROM?

According to Amanda, had the owner/Chef Daniel del Prado been born a girl, his parents were going to name him Martina.

#### ANY CELEBRITY SIGHTINGS AT MARTINA?

Amanda said she has waited on Andrew Zimmern! She said he is the most gracious guest and after dining walks the entire restaurant thanking the staff from the cooks to wait staff and bartenders.

#### GREAT PEOPLE WATCHING!

Interesting patrons. At the table next to ours, sat a couple who I recognized as actors from the Guthrie's production of "A Christmas Carol" Kris played Bob Kratchett and Kendall was the Ghost of Christmas Past! What a nice surprise it was meeting these two and how timely with Christmas right around the corner!

#### FASCINATING DRINKS:

The other couple seated next to us were sipping the most fascinating cocktails. He was drinking the Vermut di Negoni (Negroni Vermut, red bitters, botanical infused vodka) and she the "Spanish G&T" (modern gin, cinchona bark, lemongrass and CO2).

#### DID I MENTION THE FOOD?

The lobster spaghetti was perfectly prepared. Amanda treated us to the Cinnamon Fried Calamari as an appetizer. Though one would not think to pair calamari with cinnamon, this dish was exquisite!

#### LOCATION

Who doesn't live Linden Hills?

We will definitely be going back to Martina's! Maybe we'll run into Andrew Zimmern there!



## MSCA IS CURRENTLY LOOKING FOR COMMITTEE MEMBERS FOR 2019!

If you would be a dedicated and hard-working addition to one of our eight committees, then take a look at our committee page for your chance to contribute to this great organization! Committees looking for your help in 2019: Program, Research and Newsletter!

Committees meet at all sorts of different times throughout the year, so find the one that fits your interests and schedule the best.





**MEMBER PROFILES**

**ANDY WILKE**

**JOB TITLE:** General Manager –  
River Hills Mall, Mankato  
**AREA OF FOCUS:** Asset Management  
**YEAR JOINED MSCA:** 2018



BROOKFIELD PROPERTIES RETAIL

**WHAT WAS YOUR FIRST JOB IN THIS INDUSTRY AND FOR HOW LONG?**

Well technically my first job was working for my Dad picking up cigarette butts around his mall back when I was 8. But I don't remember ever getting paid. My first real job in the industry was with General Growth Properties (now Brookfield Properties Retail) as the Associate General Manager at Jordan Creek Town Center in West Des Moines, IA.

**WHAT KEEPS YOU IN THE BUSINESS?** Every day is different. Some days are construction/project management focused, and other days I spend on budgets, marketing, or community relations. My favorite days always include getting out into the mall and talking with tenants and customers.

**WHAT THINGS DO YOU NEED TO BE SUCCESSFUL IN THIS JOB, AND WHAT ARE THE DEAL KILLERS FOR YOU?** A very thick skin and a cool head. Never take things personally or lose your cool. Lately this has been especially true with so many retailer bankruptcies – every shopper is an expert and wants to tell you how to do your job. Many customers seem to think landlords have unlimited power to attract/retain tenants – I wish! Just have to take it all in stride. It's also really important to see the entire business and bring people together – break down the silos and get people in a room to hash out the right plan for the property.

**WHAT IS THE MOST UNIQUE PROJECT/LEASE/PROPERTY THAT YOU EVER WORKED ON IN YOUR CAREER?** Much of my career has been focused on energy. Over the last several years, we have been installing cutting-edge Energy Management Systems across our portfolio to not only control lighting and HVAC, but provide analytics that help us really see where we can improve efficiencies. Aside from just having better control of our systems it has helped us see where we are leaving money on the table and shining a light on often hidden maintenance issues.

**IF YOU HAD UNLIMITED FUNDS TO INVEST IN A RETAIL FRANCHISE, WHICH ONE WOULD IT BE AND WHY?** Chick Fil A. I fell in love with CFA when I lived in Augusta, Georgia while managing the Augusta Mall. They do the simple things extremely well – quality food, clean restaurants, and the BEST customer service in the world.

**WHAT IS YOUR MOTTO / PERSONAL MANTRA?** “I just like to smile, smiling's my favorite,” Buddy the Elf

*Thanks Andy*

**ASHLEY KEMPLIN-GAMM**

**JOB TITLE:** Commercial Closer  
**AREA OF FOCUS:** Commercial Real Estate-Retail,  
Senior and Multi-Family Housing, Development  
**YEAR JOINED MSCA:** 2016



COMMERCIAL PARTNERS TITLE, LLC

**WHAT WAS YOUR FIRST JOB IN THIS INDUSTRY AND FOR HOW LONG?**

My first job in the industry was for a now defunct loan servicer, right out of college in 2007. It was not really the best time to be getting into lending. I was only there for a few months, when an opportunity to join a law firm as a legal assistant came up and I jumped on it.

**WHAT KEEPS YOU IN THE BUSINESS?** I love this question. For me, it really comes down to the relationships and the variety of opportunities. Every day is different. I have been in title insurance for just shy of 6 years and I have made so many wonderful connections and have been involved in several amazing projects around the Twin Cities and out-state Minnesota. I appreciate my clients and am truly thankful to be a part of their trusted team.

**WHAT THINGS DO YOU NEED TO BE SUCCESSFUL IN THIS JOB, AND WHAT ARE THE DEAL KILLERS FOR YOU?** I truly believe that you cannot be successful without knowing who you are and what you don't know and then being committed to continually growing and learning. That, and surrounding yourself with positive influences. You cannot be great without great support. I would have to say for the parties involved, any number of things could be a deal killer in title insurance, but it is my job to come up with a solution to get the deal back on track and that is both challenging and rewarding when it works out and it usually works out.

**WHAT IS THE MOST UNIQUE PROJECT/LEASE/PROPERTY THAT YOU EVER WORKED ON IN YOUR CAREER?** I am just starting to work on one right now that I am very excited about. I worked on the land acquisition earlier this year and we are now moving forward with construction of what will become a multi-family apartment complex, intended to service individuals with mental illnesses and disabilities. I am excited about this project, it is something our community needs and will benefit greatly from it.

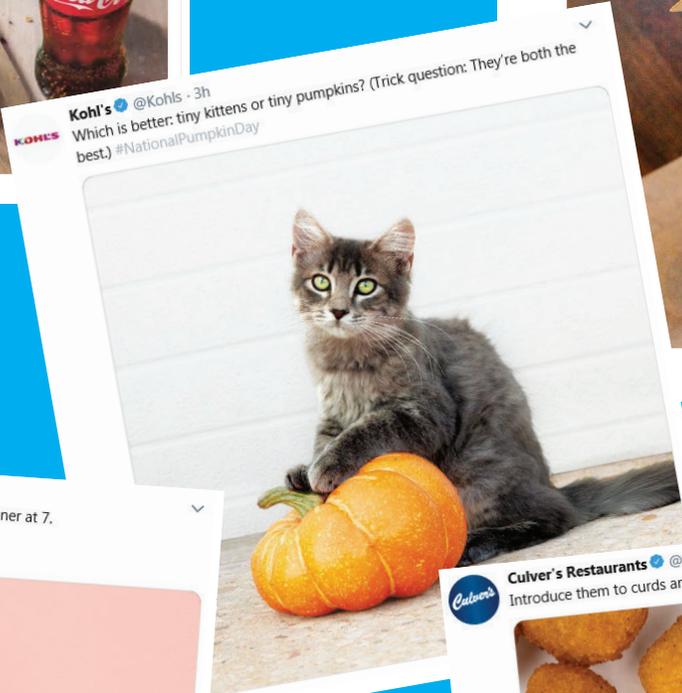
**WHAT IS ONE INTERESTING FACT THAT NOT MANY PEOPLE KNOW ABOUT YOU?** I am obsessed with classic cars, in particular, American muscle cars from '57 to '72.

**WHAT HOBBY OUTSIDE OF WORK ARE YOU REALLY PASSIONATE ABOUT AND WHY?** I have recently started collecting vinyl. It started with inheriting some records from my parents and it went from there. I just love the warm sound of a record and I love music so much.

*Thanks Ashley*




# WHAT'S TWEETIN' RE?







## MSCA SCHEDULE OF EVENTS » 2018

Our monthly program is typically the first Wednesday of every month with the exception of January, September and December. All monthly program meetings\* will be held at 8:00am. (registration at 7:30 am) at the Doubletree Hotel Minneapolis Park Place (unless otherwise noted below). Learning Sessions will be held at 4400 Baker Road, Minnetonka from 8:00 – 9:30am. Third Thursdays are held at various locations from 3:30 – 5:30pm. Other event locations are noted next to event or will be announced closer to event. Program topics and location are subject to change.

Log on to [www.msca-online.com/events/calendar](http://www.msca-online.com/events/calendar) for full calendar and updated information.

**\*WEDNESDAY, NOVEMBER 7** (Afternoon) – State of Retail

**THURSDAY, NOVEMBER 15** – Third Thursdays Networking

**TUESDAY, DECEMBER 4** (Evening) – Year End Ceremonies/

STARR<sup>SM</sup> Awards/Holiday Party, Golden Valley Country Club

### OCTOBER PROFESSIONAL SHOWCASE

ROSE-FLEISCHAKER ASSOCIATES, Inc. has over 70 years of combined building materials experience and has proudly served the Minnesota, North & South Dakota markets for 25 years. They are manufacturers representatives for Versico Roofing Systems, Tectum, Karnak, ChemLink and Barrett. Active in the Construction Specifiers Institute, the American Institute of Architects along with roofing consultants and other trade organizations; we hope to be the building communities resource for all forms of commercial roofing including Single Ply Systems, Built-up Systems, Coatings & Sealants, and Sound Absorbing Roof Decking along with Interior Panels.



### OCTOBER MONTHLY SPEAKERS

**RUSS MCGINTY**, North Central Commercial Real Estate – Moderator

**MICHAEL KERCHEVAL**, Leeds School of Business –  
University of Colorado

### REGISTER FOR THESE 2018 CALENDAR EVENTS

**DID YOU KNOW: YOU CAN VIEW THE LIST OF ATTENDEES TO ANY OF OUR EVENTS IF YOU CLICK ON THE EVENT?**

EVENT	VENUE	DATE
2018 STATE OF RETAIL - RETAIL TOURNAMENT OF CHAMPIONS	Doubletree Hotel Minneapolis Park Place	Nov. 7, 3:30-5:00 pm
THIRD THURSDAY <i>Sponsored by Interstate Companies!</i>	The Freehouse 701 N Washington Ave, Mpls	Nov. 15, 3:30-5:30 pm



**MSCA WOULD LIKE TO THANK OUR 2018 CORPORATE SPONSORS!**



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**Maple Crest Landscape**

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Prescription Landscape

Quality Trusted Commercial Construction  
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**2019 MSCA CORPORATE  
SPONSORSHIP & DIRECTORY ADVERTISING  
UPGRADES STILL AVAILABLE**

**2019 MSCA ADVERTISING AND  
SPONSORSHIP OPPORTUNITIES**

MSCA has officially released 2019 advertising and sponsorships via first come, first served. Please don't miss out on your chance to advertise in this upcoming year!

HOLIDAY PARTY

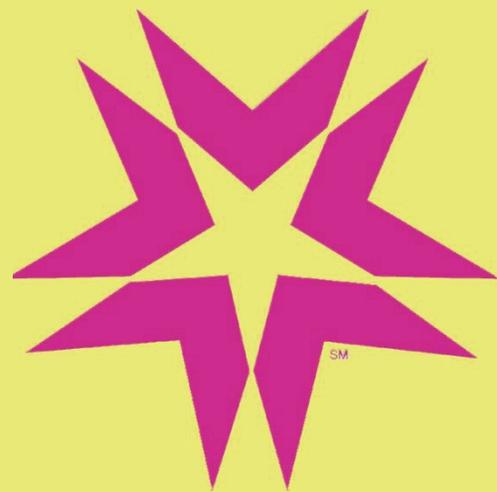


STARR<sup>SM</sup> AWARDS



YEAR END CEREMONIES

# 2018 STARR<sup>SM</sup> awards



Tuesday, December 4, 2018

Golden Valley Country Club

7001 Golden Valley Road ~ Golden Valley

3:30 p.m. Registration & Networking

5 p.m. Year End Ceremonies & Awards Presentation

6 p.m. Holiday Party

Reserve your tickets today online!

Corporate tables of eight: \$450

Corporate tables of four: \$250

Individual tickets: \$65 in advance / \$75 at the door

[Click here to register](#) or

for more information log on to [www.msca-online.com](http://www.msca-online.com)

LET'S CELEBRATE!



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CENTER ASSOCIATION