

MN SHOPPING CENTERS

A POSITIVE IMPACT ON OUR ECONOMY

JANUARY 2018



MINNESOTA SHOPPING
CENTER ASSOCIATION

OUR GOAL

To promote a market in which businesses choose to start and expand in Minnesota. This creates jobs and grows the local economy, which are two pillars needed to maintain the strong fundamentals that give our State a solid foundation. The Minnesota Shopping Center Association (MSCA) has been an active industry advocate for 30 years. Founded in 1988, MSCA members represent a broad spectrum of industry participants, including owners, retailers, developers, property managers, appraisers, and vendors.



THERE ARE **104 MILLION SF** OF RETAIL IN MINNESOTA

\$2.6B

**2016 MN SHOPPING CENTER
SALES TAX COLLECTED**

\$5.5B

**2016 TOTAL MINNESOTA
SALES TAX COLLECTED**

Shopping Centers: CREATING JOBS & OPPORTUNITY

- The shopping center industry employs an estimated **243,500** people in MN.
- The retail industry provides employment and benefits to hundreds of thousands of Minnesota families every year.
- Employment related to the shopping center industry offers growth and development across many levels and trades for Minnesotans including: entry level, managerial, sales, distribution, executive level, etc.

As shopping centers serve the entire public and create vibrant communities, the interests of the people of Minnesota are tied to the success of the shopping center industry. This is why MSCA strongly advocates for legislation that enhances business opportunities, allows companies to increase sales and grow Minnesota's employment base.





LEGISLATIVE PRIORITIES

Property Taxes

MSCA appreciates the House and Senate's elimination of the property tax automatic inflator in the Omnibus bill.

- Property taxes are typically passed through to tenants, many of which are small businesses. This ultimately raises their operating costs.
- Eliminating the automatic inflator will improve the business climate for Minnesota's retailers.

Transportation

MSCA supports an effective plan for transportation funding.

- Minnesota must have an effective funding plan for roads, bridges and transit to ensure the continued quality and future growth of our communities.
- Transportation is a key component to the success of commercial real estate and local businesses, especially shopping centers.

Sewer Access Charges

MSCA supports a transparent & better SAC process.

- SAC charges are often a *surprise* and can be detrimental to the start-up, success and expansion of a new business.
- MSCA is making it a priority to understand and improve the SAC fee process for the betterment of local businesses.

“ It [Sewer Access Charge] was so overwhelmingly high we had to adjust the blueprint in order to lower the SAC/WAC charges. Even with those changes, it was still too high for our start-up business. Our fee was approximately \$35,000.”

Nicole Kwon, CEO Bonsai Sushi

“ Our MSCA members, the owners and tenants in shopping centers, operate in a rapidly changing and very competitive retail environment. It is vital that we work with Minnesota public officials to lower the taxes and fees that affect owners and tenants. If we want a healthy retail industry in Minnesota, including the jobs it provides, we must lower costs and support a more competitive business climate.”

*Jesseka Doherty, Mid-America Real Estate-MN, LLC
2018 MSCA President*

SHOPPING CENTERS ARE A VITAL INDUSTRY IN MN

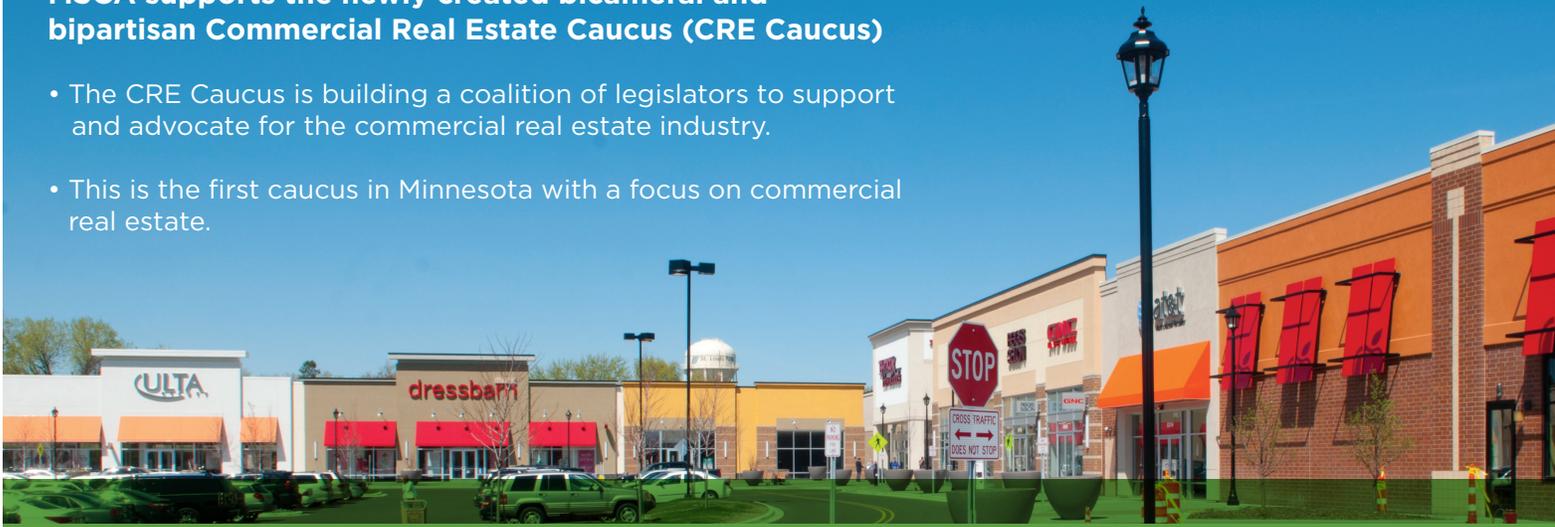
They provide **\$2.6B** in sales taxes

That equals **47%** of the sales tax collected in our state

CRE CAUCUS

MSCA supports the newly created bicameral and bipartisan Commercial Real Estate Caucus (CRE Caucus)

- The CRE Caucus is building a coalition of legislators to support and advocate for the commercial real estate industry.
- This is the first caucus in Minnesota with a focus on commercial real estate.



ABOUT MSCA

The Minnesota Shopping Center Association (MSCA) is a nonprofit trade association that was initiated in 1988. MSCA is the largest statewide organization devoted solely to the retail real estate industry. With 300 companies and 650 members, the association represents developers, shopping center owners, brokers, property managers, retailers, attorneys, architects, appraisers, contractors, and all professionals serving the Minnesota real estate industry. Together, the members of MSCA own, operate and manage over **50 million square feet** of shopping centers in our trade area. MSCA offers its members excellent educational and networking opportunities, market research and trends, as well as participation in governmental affairs.

Sources: International Council of Shopping Centers (ICSC), CoStar Realty Information, Inc; US Bureau of Economic Analysis; US Bureau of Labor Statistics; US Census Bureau, The Sales Tax Clearinghouse; ICSC Research; Minnesota Department of Revenue

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