The Connection

DECEMBER 2021

MSCA℠ MINNESOTA SHOPPING CENTER ASSOCIATION

INSIDE THIS ISSUE:

Rosedale Center Update.....1-2
Five Big Predictions for Retail in 2022.....2
Minnesota Marketplace.....3-4
New Members/Member News.....4
2021 State of Retail Winners.....4
November Program Speakers.....5
Black Friday Recap.....5
Corporate Sponsors.....6

CLICK ON THE ARTICLE TITLE TO LINK DIRECT TO THAT PAGE

FEATURE STORY

Rosedale Center Update

by Lisa Diehl, DIEHL AND PARTNERS

AS WE ROUND OUT 2021, I SAT DOWN WITH HOLLY ROME, EXECUTIVE VICE PRESIDENT, RETAIL FROM JLL. SHE SHARED WITH ME THE ISSUES, CHALLENGES AND OPPORTUNITIES COVID HAS CREATED AND HOW THEY WILL SHAPE ROSEDALE CENTER GOING FORWARD INTO 2022 AND THE FUTURE.

WHAT DID YOUR TEAM DO TO MOBILIZE IN 2020 WHEN THE COVID-19 WAS 'REAL'?

JLL being an international company, we started planning prior to the true impact and closures of COVID becoming "real". The Rosedale property team did an amazing job mobilizing. Cleaning protocols were increased prior to government closures. The stayed open until the government mandated our closure (March 27th, 2020) and we re-opened as soon as we were allowed. While the mall was closed, all tenants still had access to the property and their stores.

AS 2020 PROGRESSED, WHAT DID YOU DO AT ROSEDALE (KEEP PEOPLE SAVE, TENANTS, CLOSURE, RENTS)?

Mall operations never shut down. The property team was very active in a number of areas such as deep cleanings, improving the HVAC systems, completing general property projects, establishing protocols for when tenants and customers returned, preparing tenant/customer communications. The property's main strategy was to have the mall open with a safe environment. JLL in conjunction with each property, market, ownership group created a protocol for our office staff, public, customers and tenants entering the property. Further, the center teams pivoted to accommodate changing tenant and customer demands including curbside pick-up, delivery and fulfillment areas.

From a leasing perspective, COVID amendments were discussed and negotiated individually with every tenant throughout our portfolio. Tenant and the landlord opened up their leases to review and discuss co-tenancy clauses, termination rights, force majeure language, guaranty language, default language, lease restrictions, etc. Every discussion had its own unique set of circumstances with unique outcomes.

OVER THE LAST YEAR, WHAT HAS SURPRISED YOU AND WHAT HASN'T?

What didn't surprise me was how unprepared businesses were to weather the storm — no one would have imagined such a global pandemic and the affects it would have on the entire world straight down to our local community. What really stands out is people's resiliency, determination, cooperation, and kindness — it has been amazing to witness how the industry, retailers, landlords along with the community came together to support one another. New partnerships have been created and we have found solutions to mutual problems and challenges.

WHAT OPPORTUNITIES HAVE PRESENTED THEMSELVES FOR ROSEDALE CENTER?

Retailers and landlords are looking at business through a new set of lenses – the "this is how we've always done it" mentality is a thing of the past. Business is evolving quicker than ever. Prior to COVID, restaurants,

– continued on page 2

CONTINUED: **ROSEDALE CENTER UPDATE**

entertainment and experiences were industry buzzwords and trends. While these tenants were severely impacted by COVID, we are finding there is a demand once again for the same. We are also seeing a lot of activity in leasing. Initially, local and regional players started to expand, now we are seeing national businesses active again in the marketplace, including a large variety of types of new tenants.

WHAT DO YOU SEE AS ONGOING CHALLENGES FOR THE CENTER, OWNERSHIP AND TENANTS?
The number one challenge I hear from retailers is staffing. Limited inventory is a close second as entire supply chain has been disrupted. Balancing safety and convenience for our shopper. Allowing customers the personal interaction they desire while creating the appropriate environment for them to do so. And, new shopping behaviors and shopping patterns are impacting the way centers and retailers do business. The industry is evolving before our eyes, ingenuity will take us to the future.

AS WE CONTINUE TO RECOVER FROM COVID AND THIS NEW VARIANT, WHAT HAVE YOU LEARNED THAT WILL TAKE YOU AND YOUR TEAM FORWARD INTO 2022?
Communication, conversation, and partnership were critical to get through the last 18 months and the same will continue to be important into the future.

WHERE IS THE SHOPPING CENTER TODAY?
The Center is in a great position for the future. Ownership continues to reinvest in the asset through the recent renovation and new development, along with diversifying our tenant line up. New tenants who have recently opened include: Arula, Amazon 4-Star, Sandbox VR, Pandora, Caribou Coffee (outlot), Joey Meatball and Salad Slayer. PNC, Aspen Dental. Raising Canes is under construction & opening soon. Look for additional tenants to open in 2022.

Additionally, we are working on pre-development plans for the former Herberger's building and the south side of the property. If you've been to the property lately, you will see we've started some of the site work. An important part of our development strategy is to re-imagine this side of the property to augment the overall center experience and ensuring the already successful existing center remains a destination.

5 BIG
Predictions for Retail in 2022

1. Continued supply chain issues will force retailers to put renewed focus on updating inventory control systems.
2. Positive shipping and delivery experiences will become the largest deciding factor to whether a brand survives.
3. New ways to pay are catching on and will be a major opportunity for merchants to boost sales revenue (i.e. buy now, pay later (BNPL) solutions)
4. Retailers will need to ramp up their omnichannel strategies to meet consumers wherever and whenever they choose to shop.
5. 'Headless technology' will become the future of business-to-business commerce.

Source: Chain Store Age

IN THE NEWS

Minnesota Marketplace

by Lisa Diehl,
DIEHL AND PARTNERS, LLC

by Jesseka Doherty,
MID-AMERICA REAL ESTATE – MINNESOTA, LLC

- **OLIVE'S FRESH** will soon open a new location in the former D. Brian's Kitchen at 5820 Lincoln Drive in the southeast corner of Highway 169 and Lincoln Drive. The restaurant is scheduled to open in January 2022.

- Keep eyes out for **TOP TEN LIQUOR** at Ridgedale. Possibly taking over the Champps space.

- Bloomington-based **WISDOM GAMING** plans to use 18,000 square feet on the **MALL OF AMERICA'S** fourth level for a split-level gaming area and broadcast studio. The venue will open in the first quarter of 2022. Minneapolis is becoming known for developing technology that is fueling e-sports growth.

- The **LIFFEY IRISH PUB**, a St. Paul fixture for nearly two decades, has closed permanently. The Local and Kieran's, owned by Cara Irish Pubs, will stay open. **WILD BILL'S SPORTS SALOON** plans to move into the Liffey space.

- **CARDIGAN DONUTS** kept its Minneapolis skyway bakery open throughout most of 2020, and it's adding a location in the IDS, along with house-made ice cream.

- **PANERA** Brands will return to public markets with an upcoming IPO. They also own Caribou Coffee and Einstein Bros. Bagels. The parent company is Au Bon Pain.

- **ANN AHMED**, owner of Lemon Grass Thai Cuisine and Lat 14 opened **KHALUNA** on the corner of 40th Street and Lyndale Avenue South in Minneapolis.

- The **MISFITS COLLECTIVE**, a food hall-style multi-concept restaurant in Apple Valley closed recently. The closing makes way for Donatell's Mezcalito Butcher, a Latin live-fire cooking restaurant.

- **BREAKING BREAD CAFÉ**, has reopened in north Minneapolis on Broadway.

- **COPPER COW BAR AND KITCHEN** in Glen Lake has closed making way for a Japanese restaurant, **KAZOKU**.

- **TONO PIZZERIA + CHEESESTEAKS** is opening a fourth location in Woodbury. They opened a location in Coon Rapids in May of 2021 and are in Maplewood and St. Paul.

- **STACKED DECK BREWING** in the Treasure Island Center in St. Paul has closed.

- **ALTARD STATE** will be opening in the former Sur la Table space at corner of 50th and France in Edina. Also, new to the market, real estate company, **COMPASS** has signed a lease for the adjacent spaces where TCF Bank and Bumbershute were.

– continued on page 4

OLIVE'S FRESH

WILD BILL'S SPORTS SALOON

CARDIGAN DONUTS

CONTINUED: Minnesota Marketplace

- **FUSION ACADEMY** signed a lease and will be occupying space at Centennial Lakes Plaza.
- **STRETCHLAB** has signed a lease for space at Southdale Square.
- **GOLF GALAXY PERFORMANCE CENTER** recently opened at Tamarack Village Shopping Center taking up 17,000 square feet of space formerly occupied by Big Lots.
- Look for pizzeria **MARIO'S** to open along Cleveland Avenue in the former home of Tillie's Farmhouse in St. Paul.
- **JAX CAFE** is reopening after monthslong renovation.
- The **BLUE WOLF BREWERY** in Brooklyn Park has closed. They were known for their Indian Pale Ale beers.
- **KHAN'S MONGOLIAN BBQ** in Richfield to close, Roseville's location to stay open.
- **MICKEY'S DINER** in St. Paul plans a 2022 comeback.
- Minnetonka approves **TOP TEN LIQUORS** new Wineside concept.
- **DUNKIN** recently opened at Valley West Shopping Center in Bloomington with a drive thru.
- **BASECAMP FITNESS** signed a 10-year lease for 3,369 square feet at Woodbury Village.
- **BACK TO ROCK** signed a new lease at Riverdale Crossing in Coon Rapids.

WELCOME NEW MEMBERS

LIZ MCLAY ..... McLay Consulting

SAM DANNA ..... Danna Agency

MEMBER NEWS

NAI LEGACY is pleased to announce the acquisition of Fleet Farm in Carver, MN. The property is comprised of a 272,196 square foot flagship store as well as a fuel/convenience store and a carwash, and an adjacent parcel of undeveloped land. The ± 33.69 Acre Property and ± 5.17 Acre Parcel of land is located at 1935 Levi Griffin Rd in Carver Minnesota. The asset will be placed in an Essential Net Leased portfolio consisting of properties located in the Midwest.

2021 STATE OF RETAIL – RETAIL TOURNAMENT OF CHAMPIONS

WINNERS Table 13 (left to right):

PETER BAROTT, Muir Investment Holdings, LLC; **JAMES LUNDEQUAM**, Kraus-Anderson Companies; **DAN RODICH**, Shingobee; **PAUL SCHROEDER**, SRF Consulting Group; **DEB VANNELLI**, Upland Real Estate Group; **KEN VINJE**, Kraus-Anderson Companies

NOVEMBER STATE OF RETAIL SPEAKERS

SARA MARTIN, Colliers; **CHRISTOPHER HUNTLEY,** Mulligan & Bjorness; **MATT HAZELTON**, CBRE; **MARK ROBINSON**, Mid-America Real Estate – Minnesota, LLC; **PATRICK DALY**, Ryan Companies

BLACK FRIDAY RECAP

- **NEARLY 180 MILLION AMERICANS** shopped during the five-day holiday shopping period from Thanksgiving Day through Cyber Monday, according to the annual survey released by the National Retail Federation.
- **BLACK FRIDAY** remained the most popular day for in-store shopping, with 66.5 million shoppers, followed by 51 million shoppers on Small Business Saturday.
- **PHYSICAL STORES** remained a crucial component of Thanksgiving weekend shopping in 2021; 61% of holiday weekend shoppers, approximately 114 million adults, spent money at physical stores from Thanksgiving Day through Cyber Monday, according to a Nov. 29 ICSC survey of 1,013 U.S. consumers.
- **SOPHISTICATED OMNICHANNEL OPERATIONS** paid off this Thanksgiving weekend; 72% who purchased items online and picked them up in-store spent additional money at that store or at the same shopping center.
- **49% OF SHOPPERS** took advantage of early holiday sales before Thanksgiving.

ASPEN WASTE SYSTEMS

Protecting businesses isn't a sideline for American Family-it's a big part of who we are. American Family has been protecting the livelihoods of business customers like you for over 35 years. In fact, we're the **Top Commercial Insurer in Minnesota!** Our strength allows us to offer a broad range of high-quality products and services at competitive prices. As an American Family agent, and a business owner, I have knowledge of your insurance needs, as well as the responsibilities and challenges you face. Whether you own residential, office, industrial or retail property we'll focus on keeping your business protected so you can focus on keeping your properties competitive in the market.

* Based on Commercial Multi-Peril direct premiums written, according to a 2013 report by SNL Financial.

Fost Choles Agency Inc
(952) 224-2992/ fcholes@amfam.com

American Family Mutual Insurance Company, S.I., and Its Operating Companies, 6000 American Parkway, Madison WI 53783

AMERICAN FAMILY INSURANCE®

N F LAW OFFICES OF NICHOLAS A. FURIA, PLLC
MINNESOTA PROPERTY TAX APPEALS™

CLEANRESPONSE
FLOOD AND FIRE RESTORATION

MSCA WOULD LIKE TO THANK OUR 2021 CORPORATE SPONSORS!

Allied Blacktop Company
Aspen Waste Systems, Inc.
Barna, Guzy & Steffen, Ltd.
Bell Bank
Braun Intertec
Bremer Bank
CBRE
Clean Response
CSM Corporation
Cushman & Wakefield
Cutting Edge Property Maintenance
Dorsey & Whitney LLP
Faegre Drinker
Fendler Patterson Construction, Inc.
Flynn Midwest LP
Fost Choles Agency Inc. - American Family Insurance
Gausman & Moore Mechanical and Electrical Engineers
Great Southern Bank
HJ Development
Huntington National Bank
Interstate Companies
Johnson Financial Group
Kimley-Horn
Kraus-Anderson Companies
Larkin Hoffman
Launch Properties
Maple Crest Landscape
Mid-America Real Estate - Minnesota, LLC
Midwest Maintenance and Mechanical
Oppidan
Prescription Landscape
Quality Trusted Commercial Construction & Roofing, Inc.
Ridgedale/Brookfield Properties
RMA Real Estate Services, LLC
Rochon
RPT Realty
RSM US LLP
Ryan Companies US, Inc.
Smith Gendler, P.A.
Target Corporation
The Mandinec Group Landscaping Inc.
Trautz Properties, Inc.
United Properties
U.S. Bank National Association
Westwood Professional Services, Inc.
Wings Financial Credit Union

2022 SPONSORSHIP AND ADVERTISING IS RELEASED!

CLICK HERE FOR THE MENU