



MINNESOTA SHOPPING CENTERS: A POSITIVE IMPACT ON OUR ECONOMY



MINNESOTA SHOPPING
CENTER ASSOCIATION

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The Minnesota Shopping Center Association (MSCA) has been an active industry advocate for twenty years. Founded in 1988, MSCA has proven to be an available forum of the exchange of information and contacts for the retail real estate community. MSCA members represent a broad spectrum of industry participants, including retailers, developers, appraisers and vendors.

The statistics provided here tell the story of the impact of shopping centers on the Minnesota economy and your community's viability. In addition to providing the basic necessities of life, shopping centers create jobs, revenue and a positive impact on the highest profile locations in your community.

As shopping centers serve the entire public, the interest of the people of Minnesota are tied to the success of shopping centers. This is why MSCA works hard to advocate for positive change in issues that affect shopping centers.

Please join us in promoting a better, more competitive market in which retailers can choose to do business and in which Minnesotans can find value and comfort.

The information published in this report relies on the most recent available data for 2006.

2006 SHOPPING CENTER SALES

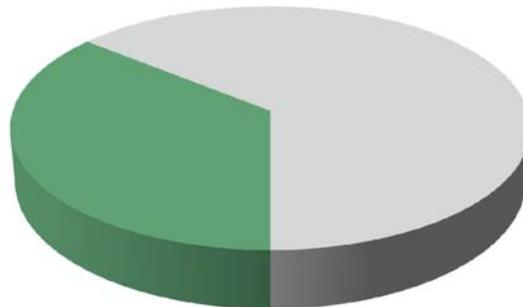
Sales generated by shopping center retailers in Minnesota were **\$38.7 billion** in 2006.

As an industry, shopping centers represent one of the largest impacts to the state economy.

SALES TAX REVENUES

The shopping center industry directly contributed **\$2.5 billion in sales taxes** to the State of Minnesota in 2006. MSCA members also paid real estate taxes, payroll taxes and donated millions to charity. Year in and year out, the shopping center industry gives back millions of dollars to our communities. We create and sustain value and quality of life throughout our communities by allowing our workforce to be proud of their contributions to their families and communities through their jobs, volunteerism, through charitable giving or tax revenues.

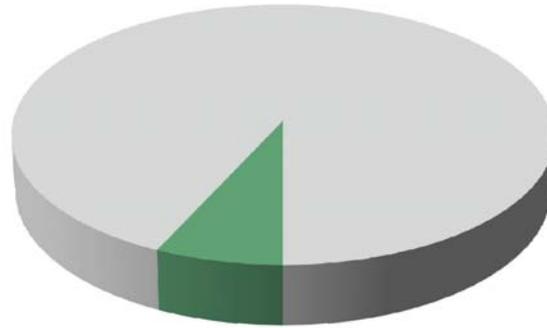
Minnesota Shopping Center Sales Tax Collection in 2006:
\$2,500,000,000



Other Minnesota Sales Tax Collection in 2006:
\$4,463,640,000

GOOD JOBS THROUGHOUT A WORKING CAREER

Retail shopping center jobs in Minnesota were estimated at 204,937 in 2006, providing much-needed employment and benefits to hundreds of thousands of Minnesota families every year. Whether entry-level or managerial, whether in sales, distribution or at the executive level, these jobs allow our citizens to grow and develop at all levels of their careers.



Other
Minnesota
Employees
in 2006:
2,760,162

Minnesota
Shopping Center Related
Employees in 2006:
204,937

INNOVATION

Helping Make Communities Great Places to Live

MSCA's members pay attention to demographic trends and work with communities throughout Minnesota to grow smarter and wiser. We are proud to say that we are often the driving force in developing systematic solutions to environmental problems and in enhancing our state's environmental assets. We work with communities to make our developments sustainable and pleasing to the eye.

SHOPPING CENTERS IN MINNESOTA

Shopping Centers – Woven into the Fabric of Life

Minnesota has 110.1 million square feet of shopping center space. These shopping centers create value, convenience and enhance the quality of life in our communities. Shopping centers, large and small, are an important part of what makes our communities livable. Whether regional or neighborhood, they provide not only an entertaining way to attain life's necessities and extravagances, but also provide convenient locations for families to maximize and improve their free time together.

HEAR WHAT RETAIL PROFESSIONALS ARE SAYING . . .

Real estate taxes are real costs which are directly passed through to retail tenants. Regional and national retailers have choices where they expand, and total occupancy costs are a key consideration."

Dean Wieber
Executive Vice President
New Business Development
Great Clips, Inc.

High commercial property taxes have two big impacts for Minnesotans. First, many retailers now seek other states to expand and come here last, if ever, giving Minnesotans fewer retail choices. Second, commercial property taxes are simply an operational cost that must be passed through to Minnesota customers. It should really be called a "Customer Tax".

Bruce Carlson, 2008
President
Minnesota Shopping Center Association

At Ryan and elsewhere in the retail development community, we're always searching for a reasonable balance between the property taxes that we and our clients expect to pay, and the other costs that challenge the development of the shopping areas our communities want and need. We want to develop the best projects we can for the communities we serve, and excessive property taxation helps no one in that effort."

Mark Schoening
Vice President of
Development
Ryan Companies US, Inc.

ABOUT MSCA

The Minnesota Shopping Center Association (MSCA) is a non-profit trade association that was initiated in 1988. MSCA is the largest statewide organization devoted solely to the retail real estate industry. With over 315 companies and 780 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 Center (ICSC), BIGresearch, U.S. Census Bureau, U.S. Department of Commerce, U.S. Department of Labor, McGraw-Hill Construction Research & Analytics, CoStar Group, Sales Tax Institute Minnesota Department of Finance and Minnesota Department of Employment and Economic Development.

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