



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-two 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 owners, 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 2008.*

## 2008 SHOPPING CENTER SALES

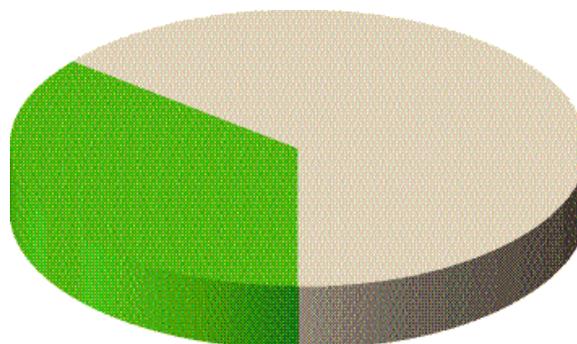
Sales generated by shopping center retailers in Minnesota were **\$39.4 billion** in 2008.

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

## SALES TAX REVENUES

The shopping center industry directly contributed **\$2.6 billion in sales taxes** to the State of Minnesota in 2008. 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.

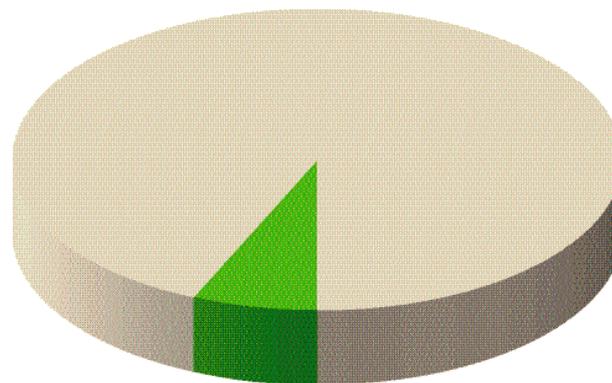
Minnesota Shopping Center Sales Tax Collection in 2008:  
**\$2,600,000,000**



Total Minnesota Sales Tax Collection in 2008:  
**\$4,570,848,000**

# GOOD JOBS THROUGHOUT A WORKING CAREER

Retail shopping center jobs in Minnesota were estimated at 188,285 in 2008, 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.



Total  
Minnesota  
Employees  
in 2008:  
**2,758,295**

Minnesota  
Shopping Center Related  
Employees in 2008:  
**188,285**

## 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 107.7 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 needs and wants, but also provide convenient locations for families to maximize and improve their free time together.

# HEAR WHAT RETAIL PROFESSIONALS ARE SAYING . . .

“Business property taxes affect owners of real estate and their tenants. In these difficult times, tenants cannot pay increased property taxes without laying off employees. Owners are asked by tenants to lower rents, which lower property values and reduce property tax collections. These layoffs and declining values drag the economy further into recession.”

**Michael L. Korsh, Director of Real Estate Development**

**Kraus-Anderson Realty Company**

“It is easy to dismiss commercial property tax increases as “disappearing” into the cost of consumer goods and services. Unfortunately, this is not the case. Higher property taxes translate directly into higher cost for retailers. They must then either raise prices or suffer reduced profits. When in an economic environment where business bottom lines are stressed and the public is price conscious, the results can severely dampen a recovery.”

**Keith Ulstad, Senior Vice President**

**United Properties**

“Minnesota's retailers face some of the highest occupancy costs in the country. Property tax increases create higher occupancy costs, which harm existing retailers and hinder retailer growth. National retailers have already shifted their attention to lower cost growth areas in the US and to countries outside the US. Smaller retailers are forced to layoff employees and close locations to deal with increased costs. Instead of driving business away, let's reduce CI Property Taxes and encourage growth of the industry.”

**Stephen Eggert, 2010 President**

**Minnesota Shopping Center Association**

## 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 300 companies and 715 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), U.S. Department of Commerce, U.S. Department of Labor, Federal Reserve Bank of Philadelphia, McGraw-Hill Construction Research & Analytics, CoStar Group, The Sales Tax Clearinghouse, ICSC Research, Minnesota Management and Budget, and Minnesota Department of Employment and Economic Development.

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