

SHOP BY SIZE The Mall of America has transformed the shopping experience and catapulted Minnesota into the spotlight

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The minute you step inside the Mall of America in Bloomington, Minn., you'll quickly realize this not your typical shopping experience. In fact, there is nothing typical about this shopping and entertainment hotspot. The mall attracts 40 million visitors a year, with four out of 10 of those visitors being tourists. That's right, tourists. The largest mall in the United States has become a bona fide tourist destination both domestically and internationally and has transformed the American shopping mall experience.

The mall has 520 stores, 4.3 miles of total storefront footage, an indoor theme park, and hosts more than 350 events a year. The secret to the mall's success is diversity; catering to a wide range of customers and tenants.

"There is something for everyone here, whether you have \$1 or \$1,000 to spend," said Maureen Bausch, executive vice president of business development at the Mall of America. "We're more of an attraction, not a mall."

This attraction has helped to propel the image of Minnesota into the spotlight, as well.

"No one thought of Minnesota for shopping

and fashion," said Bausch. "It was all woods, lakes and wildlife, which we still have. We have great fishing and great golfing, but now you can look good doing it."

Further, the mall has had a significant economic impact, generating about \$2 billion annually for the region. According to Bausch, if you poll people who come to Minnesota beyond 150 miles, 50 percent of the reason they are there is to visit the Mall of America.

INFLUENCE & EXPANSION

At a national level, the Mall of America has influenced today's shopping centers by combining traditional retail with unique entertainment offerings.

"Before, malls were purely retail with a few fast food restaurants," said Bausch. "The fact that people shop on vacation and actually travel to shop is something that no one believed would ever happen. Now, the shopping mall can be an attraction."

When the Minnesota Twins and Minnesota Vikings moved from Met Stadium to the Metrodome in downtown Minneapolis in 1982, 78 acres of prime real estate became available. After the Bloomington Port Authority bought the land in 1985, it began fielding proposals for the property. The Port Authority ultimately entered an agreement with the Ghermezian brothers to develop a mixed-use retail and entertainment center, and the Mall of America was born.

When the 4.2 million-square-foot mall opened its doors in 1992 it was—and still is—the largest mall in the country. Despite its sheer size, the mall is accessible.

"The architects designed it beautifully," said Bausch. "You're never further than 300 feet

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from a door, and that helps a lot.”

The Mall of America is an unprecedented mix of retail, dining and attractions, with a tenant mix of 76 percent retail and 24 percent entertainment. It made headlines with Nickelodeon Universe, an indoor theme park with 25 rides, within the mall walls. The synergy between the retailers and the attractions has helped boost retail sales and stimulate more traffic to the attractions. Currently, the mega mall is planning a 5.6 million-square-foot expansion of new development to be built on 42 acres of adjacent property north of the Mall of America. Some of the planned developments include premier on-site hotels, an office complex, new retail, recreational facilities, a water park, a dinner theater and further entertainment and cultural attractions.

Often described as a city within a city, the Mall of America has been referred to as the third largest city in Minnesota. On any given day, the mall has 100,000 visitors.

“It acts like a city,” said Bausch. “We have a huge security force, so it is a safe city. And it never rains here!”

COMMUNITY MAINSTAY

While the shopping center and retail industry in general are suffering through this Great Recession, the Mall of America has managed to not only stay afloat, but also thrive.

“We’re not recession proof, but we’re a little recession resistant,” said Bausch. “We have opened about 63 stores since the recession started.”

In a non-recession year, the mall is typically up three to five percent annually in mall-wide sales. At press time, it was still up 1.5 percent in mall-wide sales in 2009. The key, according to Bausch, is to keep the mall fresh by constantly exploring new retail and entertainment options. Of course, maintaining a property of this size is expensive and time consuming.

“With [our] size, we’re constantly doing upgrades to keep it fresh,” said Bausch. “And if you are going to paint, it’s a lot to paint. If you



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are going to change out the furniture, there is a lot of furniture.”

In addition to staying fresh and contemporary, the Mall of America utilizes its high profile to give back to the community through a wide range of community service programs.

“In Minnesota, philanthropy is part of doing business,” said Bausch. “It is the culture here to give back; you just do it. We have a nice building that seems to work [well] for raising money.”

The mall hosts at least 50 different community events a year to help raise money for non-profit organizations. The mall’s community booth is also offered to those organizations free of charge to help educate mall guests about the organizations and their causes.

While the heart of the Midwest may seem like the last place to become a tourist shopping destination, the Mall of America proves you can never sell a location short. With Minnesota’s bold move to create something unique and exciting, it has succeeded at both. ■