

STORE UNLEASHES NEW FOOD SHELF

October 28, 2006, Page C1
DOUG HAMLIN, Pioneer Press

Charity food-shelf donations at the Festival Foods store in Bloomington have been quite generous this week -- for pets.

The store has launched what's believed to be the area's first food shelf for homeless pets, partnering with the Minnesota Valley Humane Society. Customers can buy \$5 bags of animal products prepared by store staff and drop them off at an in-store donation shelf.

Since Wednesday, customers have bought about 100 bags -- about twice the donations aimed at the store's food shelf for people, said Tom Clasen, director of operations for Vadnais Heights-based Knowlan's Super Markets, the store's owner.

"We didn't know how this would be received," he said, acknowledging he was worried some people might see the food shelf as putting animals ahead of people. So far, he had "not heard one peep on that front yet."

The company decided to launch the effort because Knowlan's owners are big animal lovers, a company spokeswoman said.

Pets have become big business and a growing social movement. The rising popularity of pet ownership has made more people aware of the needs of homeless animals, said Kris McDowell, special events coordinator at Minnesota Valley Humane Society in Burnsville, which receives the donations from the Bloomington store.

"Just like there are homeless people out there or people in need, there are homeless animals in need," she said.

The nonprofit society places more than 3,000 animals a year and must look for creative ways to fund its animal-rescue efforts -- like partnering with The Chart House, a Lakeville restaurant that donates portions of its sales of a beer named after the owner's Border collie, Windsor. But Festival Foods is the first animal food shelf McDowell has heard of.

Pet owners are increasingly willing to put their money where Rover's mouth is: The American Pet Products Manufacturers Association estimates \$38.4 billion will be spent on pet products this year, up 35 percent from five years ago.

Along with more spending, some pet owners are making animal welfare a priority: some now refer to themselves at "pet parents," and ventures once exclusively aimed at people -- like health

insurance and blood banks -- are available for pets.

For privately-held Knowlan's, which owns seven Twin Cities Festival Foods stores, the early success of its animal food-shelf experiment in Bloomington may accelerate plans to expand the concept to its other stores, said spokeswoman Bonnie Harris.

DOWNTOWN MINNEAPOLIS WHOLE FOODS HITS ANOTHER BUMP

Friday, February 1, 2008
Minneapolis / St. Paul Business
Journal - by Doug Hamlin Staff Writer

Downtown Minneapolis residents will be waiting longer for a nearby Whole Foods Market.

The Minneapolis Planning Commission voted 5-3 Monday to delay approving a mixed-use project at the corner of Washington and Hennepin avenues, the site of the former Downtown Jaguar dealership.

The proposal included the grocer and nearly 250 apartments. Austin, Texas-based Whole Foods is expected to lease 55,000 square feet of the proposed 83,000-square-foot retail space. The rest would be leased to service businesses.

The commission will revisit the project at its Feb. 11 meeting, but the vote could delay approval by up to 60 days.

The vote is another blow to Milliken Development Group, the Seattle firm that originally planned high-priced condos above Whole Foods; those hopes fell apart in the housing bust. The idea was replaced with a retail-only site that would have included Whole Foods and a Best Buy store, but Best Buy has since shifted its focus to other locations.

Don Milliken expressed surprise at the latest hurdle. "We expected the Planning Commission to endorse the plan," he said. "It didn't go quite the way we thought it would."

Commissioner Tom Nordyke said the plan amounted to a "strip mall" and fell short of what the city should expect at the intersection of the two busy corridors.

Commissioner and City Council member Gary Schiff said he wanted the streetscape at the site to match those of surrounding blocks.

Other commissioners voiced concern that the design didn't allow enough space for sidewalk cafes and that a planned second phase of the project may never come to fruition.

Milliken said he plans to implement changes suggested by the commission

members and again seek approval for the so-called One Washington Boulevard development. He also plans to add a rooftop dog-walking area to the residential units, an amenity he had previously wanted but didn't have time to add to official plans.

The city's Department of Community Planning and Economic Development staff had recommended approving the proposal, with certain conditions. The North Loop Neighborhood Association also endorsed the plan.

Robert LaShomb was one of three commissioners to vote against delaying action on the project. "This site plan is probably about as good as we're going to get," he said.

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CHAMPION TO STOP FLYING AT END OF MAY

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Journal - by Doug Hamlin Staff Writer

Charter flight operator Champion Air said today it will cease flight operations at the end of May, bowing to high oil prices and a changing demand for its services.

"Unfortunately, our business model is no longer viable in a world of \$110 [per barrel] oil," CEO Lee Steele said in statement. Oil prices have risen to record highs in recent months.

Bloomington-based Champion Air flies charter flights for NBA teams and travel companies, including MLT Vacations, a division of Eagan-based Northwest Airlines Corp. (NYSE: NWA).

Champion cited a trend away from charter carriers for certain types of flying as another reason for the decision.

Company spokesman Jon Austin said Champion is not in debt.

"Frankly, the business model just doesn't work in the current market," he said.

Champion Air has a 14-plane fleet of three-engine Boeing 727s; it owns a portion of the fleet and leases the rest.

The company operates from the Humphrey Terminal at the Minneapolis-St. Paul International Airport. Earlier this month, Atlanta-based AirTran Airways said it would stop flying its Twin Cities-to-Chicago route, amid competition from Northwest. AirTran also uses the Humphrey Terminal.

Champion's 550 employees, most of whom are based in Bloomington, were being notified of the move and will receive pay and benefits through May 31, Austin said.

Patrick Hogan, a spokesman for the Metropolitan Airports Commission, said that the airline's shutdown wouldn't have a big impact on the commission or travelers. "If you look at 2007 numbers, Champion flew fewer than a 1,000 flights from MSP," he said.

All gates are shared at the Humphrey Terminal, so Hogan said there won't be any gates sitting unused after Champion stops flying. The airline leases a hanger at the airport, but there's no word yet on what will happen to it, Hogan said.

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Husband accused of attacking wife, man

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Pioneer Press

The Dakota County attorney's office charged a man Thursday with assaulting his wife and attacking another man with a butcher knife in the male victim's Lakeville home.

Eric Matthew Huerta, 31, of Lakeville, repeatedly struck the man with the knife early Wednesday, cutting the back and top of his head, according to the criminal complaint filed in Dakota County District Court.

When Huerta's wife tried to intervene, he allegedly punched her and pushed her to the ground.

Police officer Brad Paulson described the male victim as an "acquaintance" of Huerta and his wife and said a relative of the wife witnessed the altercation.

Huerta left the house, but police tracked him to the Hastings home of a friend on Thursday. Police also found a drug pipe, which tested positive for methamphetamine, according to the complaint.

Huerta was charged Thursday with second-degree assault, domestic assault and a controlled substance crime.

Huerta was convicted of domestic assault in 2001 and placed on two years' probation. He is being held in the Dakota County Jail on \$100,000 bail.

—Doug Hamlin

Guitar heroes wanted: Retail store eyes U.S. expansion

Friday, February 22, 2008

Minneapolis / St. Paul Business Journal - by Doug Hamlin Staff Writer

American Guitar & Band has been

a solo act since the owner Cory Lake launched it six months ago. But with a two-tiered business model, a growing online presence and an eye toward expansion on the coasts, Lake could have an ensemble before long.

American Guitar's concept is a full-service, customer-focused music destination, in a time when big-box music stores have cut back on customer-service staff. American Guitar & Band sells instruments from the usual cadre of big-name manufacturers like Fender and Gibson, repairs instruments, and features 10 classrooms and a small recording studio for teaching music lessons.

And then there's the boutique room - "for the big boys," Lake describes it, with obvious pride. Guitars and amplifiers in the room, which is small but studded from top to bottom with equipment, sell for an average of \$2,000. The guitars are handmade by independent manufacturers like Minneapolis-based Tim Reede and Los Angeles-based James Trussart.

"I call it the Neiman Marcus of music retail," Lake said of his store's commitment to high-end instruments. But even Neiman Marcus has different price points for products, which means the store can supply both the musical neophyte just looking to make a little entry-level noise and the instrument addict ready to make a big purchase.

Lake opened American Guitar & Band in August after he outgrew his 5-year-old business, American Guitar Boutique, and its 2,000-square-foot location on St. Paul's Snelling Avenue.

The old store had five lesson rooms and sold only boutique guitars. The new store is twice that size and brims with equipment from the boutique room to the drum room to the acoustic room, which is more like a climate-controlled humidifier for guitars.

Old band posters line the hall that leads from the recording studio, past the coffee machine brewing the store's own Rockstar Roast, to the classrooms and the "Guitar Hero" area. (Lake wouldn't speculate whether the videogame has caused kids to pick up real guitars, but anything "driving people to get off their duffs" and enjoy music must be good.)

Lake's Maple Grove store sees about 50 customers on an average day, though there were many more during the holiday season, he said. About 125 students a week use the classrooms, with capacity for 500. Roughly 80 percent of revenue comes from instrument sales, with the rest coming from music lessons.

The company does more than half the sales of its high-end gear on eBay, Lake

said, and he's getting ready to launch a new Web storefront, which he hopes will boost the business' nationwide recognition and allow it to compete against larger retailers.

Further expansion would require Lake to find warehousing space, and he said he's already been scouting locations in San Diego and on the East Coast for new stores. Four or five boutique-within-a-store concepts nationwide would be ideal, he said.

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URS creates state's first cable-stayed bridge for cyclists, peds

Friday, February 22, 2008

Minneapolis / St. Paul Business Journal - by Doug Hamlin Staff Writer

Thousands of people walk and cycle each day along the Minneapolis Midtown Greenway, its six miles of paths connecting the Mississippi River to the city's prized chain of lakes. Their activity has helped make the city one of the nation's tops for cycling commuters.

But until recently the greenway posed a challenge to bikers and walkers: safely crossing Hiawatha Avenue and its namesake light rail line.

Responding to a call by Hennepin County seeking ideas to bridge the avenue, the Minneapolis office of URS Corp. suggested what has become the first cable-stayed bridge in the state to carry pedestrians and bicyclists.

The greenway, which runs parallel to Lake Street, stretches from the Mississippi River on the east to the chain of lakes on the west, where it meets up with the 27-mile Southwest Regional LRT Trail.

URS won all three of the county's requests for proposals (RFP) -- selecting the bridge concept, design the actual bridge and constructing it.

The final result was an award-winning, landmark bridge that isn't easily forgotten by commuting travelers below or above it. About 3,000 people cross daily during the summer, several hundred in the winter. And some weekends, URS's tracking equipment has counted as many as 7,000 people crossing the span.

Even on a winter day with wind chills below zero, people can be seen walking and riding across the bridge -- no surprise in a city that, according to the Census Bureau, ranks behind only Portland,

Ore., in percentage of commuters who bike.

“We don’t necessarily look for the lowest price,” said Dean Michalko, project manager for Hennepin County, on what it takes for companies to win RFPs. “The No. 1 thing we look for is qualifications.”

Size also matters. URS was able to handle all aspects of design and construction, which reduces the chances for miscommunication and other errors, Michalko said. While small firms aren’t shunned, large ones have an advantage. For instance, URS drew on expertise in its Tampa, Fla., office to engineer the cable-stayed portion of the bridge.

Ultimately, a good history with a company is important. Hennepin County has worked with URS before and has been pleased with everything from project management to inspections, Michalko said.

“We probably couldn’t have asked for anything better than what they did out there,” he said.

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KOPP SELLING MUTUAL FUND DIVISION

September 14, 2006, Page C3

DOUG HAMLIN, Pioneer Press

Edina-based Kopp Investment Advisors is exiting the mutual fund business, the company said Wednesday. The firm will sell its Kopp Funds division to Kansas City, Mo.-based American Century Investments and focus on managing the investments of its private clients.

Lee Kopp founded Kopp Investment Advisors in 1990 and launched its mutual fund division in 1997. Kopp Investment Advisors manages about \$1.27 billion in assets, including the mutual funds.

Kopp could not be reached for comment Wednesday, but in a statement, he said, “In recent years, it has been increasingly difficult for small fund groups to thrive. Heightened regulatory and compliance burdens along with aggressive industry competition require the scale of a larger firm like American Century.”

The mutual fund industry has faced increased regulatory scrutiny since the passage of the Sarbanes-Oxley Act in 2002.

No Kopp employees will lose their jobs as a result of the sale, since none works exclusively for the mutual fund division, Kopp Executive Vice President Sally Anderson said. About 25 people work for Kopp.

The firm manages two funds, the Emerging Growth Fund and the Total Quality Management Fund, which it acquired from Robinson Capital Management in 2004. Combined assets of the funds are more than \$300 million.

The Total Quality Management Fund is composed of stocks on the proprietary Quality 100 index that Kopp acquired from Robinson. Kopp will sell the assets of the fund but retain the index and continue offering it to private investors, Anderson said.

Earlier this year, American Century completed its acquisition of Mason Street Funds.

“It’s a growth strategy for them,” Anderson said. “We think American Century will be a good home for our mutual fund investors.”

The sale is expected to close in the first quarter of next year.