



**KATZ &
ASSOCIATES**
CORPORATION

KATZ REPORT

INDUSTRY LEADER IN RETAIL TENANT REPRESENTATION

FALL 2008

LINENS-N-THINGS

~ End of an Era ~

On October 14, 2008, Linens 'n Things passed to the hands of liquidators. This signified the formal conclusion of a relationship that was born when Melville Corporation acquired the company in 1982. Katz & Associates has exclusively represented the company for the past 13 years. We had an opportunity to help create a strategic plan, map market strategies and secure and negotiate deals for all 594 locations. We always valued the relationship with the company and will miss the many fine associates with whom we had the privilege to work.

PRESIDENT'S MESSAGE

This newsletter goes to print in the midst of one of the most challenging times of economic and political uncertainty in American history. Both the credit market and the stock market have faced extraordinary difficulties and retail sales have very few celebrants as we head toward the holiday season. Our group, although certainly not immune from all of this, has gone forward in a serious and diligent way and has managed to capture business from several new clients. We'd like to believe that our input and experience is more valuable than ever. We are featuring some new retail relationships along with updates on our development and leasing activities.

We are looking forward to the New York ICSC and invite you to visit with us at our booth located at 138 Rhinelander Gallery.

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Katz & Associates is pleased to announce it is representing Eastern Mountain Sports (EMS), with its expansion throughout the Northeast.

EMS recently signed a lease to relocate their existing store in the Soho neighborhood of Manhattan from 6,000 sf at 591 Broadway to a 2-level 18,000 sf location at 530 Broadway on the Northeast corner of Spring Street.

"This will allow us to open a full-size flagship store in a prime location in Soho, with a significantly expanded product offering for our customers in Manhattan. Katz & Associates was instrumental in arranging this transaction and we are looking forward to working with them in expanding our concept throughout the Northeast," said Bob Mayerson, COO of Eastern Mountain Sports. EMS is a leading retailer of hiking, camping, kayaking, biking, skiing and other outdoor sporting and recreational gear, equipment and accessories as well as footwear, outerwear and apparel. EMS carries the very best name brands in the outdoor

industry, including The North Face®, Mountain Hardwear®, Teva®, Gregory®, Merrell®, Sierra Design®, Eagle Creek®, Kelty®. In addition, EMS continues to grow the EMS brand, which includes gear and clothing.

EMS currently operates 66 stores in the Northeast United States only. The new EMS prototype is 15,000 sf and includes new stores in suburban, urban and gateway trade areas. EMS is seeking new locations in all three trade area types for both net new stores and relocations of undersized stores. For information about EMS, please contact briankatz@dkatz.com.



New EMS Store - 530 Broadway - Soho, NY

avenue® Katz & Associates is pleased to announce it is representing **avenue**, a division of United Retail Group, with its expansion throughout Metro New York including, New York City, Long Island, Connecticut, North and Central New Jersey, Rockland and Westchester Counties. Furthermore, Katz is now representing **avenue** in its expansion in select areas in Florida, including Orlando and Daytona MSA's, Ocala through Lakeland and Spring Hill down to Naples. **avenue** is a leading specialty retailer of plus-sized women's fashion apparel, footwear and accessories featuring **avenue** brand

merchandise. **avenue** currently operates more than 500 stores nationwide.

"**avenue** is the leading player in their category and is well respected and desired by the Landlord community. We are thrilled to have the opportunity to work with them," said Brian Katz, COO & Senior Vice President of the Northeast Region.

avenue stores average 5,000 sf (50' x 100') in primary trade areas of 150,000 people with a median HH income of \$50,000. They are typically located in supermarket and/or discount department store anchored shopping centers with complimentary retailers that drive female customers. For information about **avenue**, please contact briankatz@dkatz.com.



Katz & Associates expands role with *Retro Fitness*

Katz & Associates and Retrofitness began working together in January of 2008. Since then, Katz has completed 7 transactions on behalf of the company with an additional 20 in development. Due to the success working together, Katz's role has been expanded to include all of the corporate locations throughout the US. Starting in 2009, Retrofitness will be expanding into select markets on the East coast with corporate stores and plans to go nationwide with both franchise and corporate stores over the

next few years. The growth is being fueled by a recent partnership between Retrofitness and Lake Capital, a Chicago based private equity firm. Lake Capital recently made a significant investment in the company which Retrofitness will use for the nationwide expansion and growth initiatives. Currently, Retrofitness operates 39 clubs which are all owned and operated by franchisees. Retrofitness is seeking spaces ranging from 11,000 to 16,000 sf in shopping centers or free-

standing locations. For information about Retrofitness contact briankatz@dkatz.com.



KATZ & ASSOCIATES' ADDITIONAL NEW ASSIGNMENTS!

Despite tough economic conditions, the second half of 2008 has been extremely active for Katz & Associates. While existing clients remain focused on their growth plans throughout the markets in which we represent them, the Katz team has recently secured several new assignments.

Studio Movie Grill



Seeking: Florida, with Cooperating Broker, The Retail Connection

Size: 37,500 sf

Type: Lifestyle/mixed use centers, free-standing, ground up, vacant boxes, former theaters

Contact: Kevin Higgins kevinhiggins@dkatz.com



Seeking: Central Florida & Orlando Markets

Size: 1.0-1.5 acres (4900+/- sf)

Type: Great visibility, shared co-tenancy with other national retailers branded restaurants, high traffic counts and plentiful parking

Contact: Meredith Housman meredithhousman@dkatz.com



Seeking: Minnesota & downstate Illinois

Size: 3,000 - 5,000 sf

Type: Freestanding Buildings, Pad Sites & End-caps within Regional Trade Areas

Contact: Marlon Stone marlonstone@dkatz.com



Seeking: Tennessee, North Carolina, South Carolina & Washington

Size: 2,500 sf

Type: High traffic centers with a focus on fashion

Contact: Martin Hennessy (TN) martinhennessy@dkatz.com

Julie Gardner (NC, SC) julieguardner@dkatz.com

John Meyerdierks (WA) johnmeyerdierks@dkatz.com



Seeking: Miami-Dade County, Palm Beach County & Broward County, FL

Size: Approximately 4,000 sf plus Drive-thru Free-standing Pad Locations.

Type: Purchase or ground lease outparcels in high profile sites in densely populated locations

Contact: David Emihovich davidemihovich@dkatz.com



Seeking: Florida

Size: 6,500 sf

Type: Lifestyle Centers, Regional & Mall Outparcels, End-caps preferred, In-line, must have outdoor patio seating

Contact: David Emihovich davidemihovich@dkatz.com



Seeking: Central & Northern California

Size: 15,000 - 25,000 sf

Type: Regional Power Strips, Free-standing and Downtown Locations

Contact: John Meyerdierks johnmeyerdierks@dkatz.com



Seeking: Orlando, FL & the Southern California Market

Size: 2,500+/- sf

Type: Highly visible Lifestyle & Specialty Centers

Contact: Jesse Rehmeier (CA) jesserehmeier@dkatz.com

Meredith Housman (FL) meredithhousman@dkatz.com



Seeking: Central & Southern California, Georgia, Florida, Idaho, Texas, Missouri, Alabama, Colorado & Tennessee*

Size: 20,000 - 30,000 sf

Type: Free-standing pads and Prominent power strip locations

Contact: John Meyerdierks johnmeyerdierks@dkatz.com

*Partnering with the master broker, The Alan Mayes Company, in the Southeast and the West coast locations. Alan Mayes is handling Texas with his own company.



Seeking: Florida & South Carolina

Size: 1,400 - 1,600 sf

Type: Lifestyle Centers and Specialty streetscape settings

Contact: Martin Hennessy (FL) martinhennessy@dkatz.com

Julie Gardner (SC) julieguardner@dkatz.com

Our new clients required a brokerage firm who understood retailing, and furthermore, could translate their internal model into successful site selection. Katz & Associates provides both, with seamless transition throughout the country.



KATZ EMPLOYEE NEWS

Kevin M. Higgins of Katz & Associates has been appointed Executive Vice President for New England. Kevin will also continue as Executive Vice President of the Southeast Region.

Development & Leasing

Rushmore Crossing, Rapid City, SD, an 850,000 sf Power Center, a Midland Atlantic development, celebrated its Phase I, Grand Opening, featuring Target, TJ Maxx, Gordman's, Shoe Carnival, David's Bridal, Dress Barn, Petco and Furniture Row.

Commencing Spring 2009, Phase II will open with Scheel's flagship concept,



big box retail, apparel and restaurants. Additionally, Sam's Club announced their commitment to anchor the project's western end-cap, with their expanded 141,134 sf prototype.

According to Marlon Stone, Senior Vice President of the Midwest Region for Katz & Associates, "Rushmore Crossing continues to be well received by every sector of the retail community. Phase I established the shopping center from conceptual to real and will further accelerate leasing activity. Securing Sam's Club cannot be understated, significantly strengthening the project's draw and volume potential." Contact marlonstone@dkatz.com.

The second phase of the 105,000 sf **Shoppes at Castle Rock**, Castle Rock, CO developed by Oatman Bundy and MRV, Inc. opens this fall, anchored by Big 5 Sporting Goods, Dollar Tree and Massage Envy. Earlier this year, the shopping center officially opened with Linens 'n Things, Michael's, Office Max, Starbuck's, Floyd's Barber-shop and Chipotle. Construction on the last phase, consisting of a 7,200 sf outlot building, has commenced and is scheduled to be ready for occupancy in Spring 2009. Contact bruceboxer@dkatz.com.

Construction commenced on **East Viking Plaza**, Cedar Falls, IA with Target scheduled to open in July 2009. Negotiations on the Midland Atlantic Properties

project are on-going, with junior anchors, outlet concepts and specialty apparel.

According to Meredith Housman, Director of Real Estate for Katz & Associates, "The emergence of the Cedar Falls trade area can be directly correlated to the presence of increased employment generators attracting young families, with higher incomes. As a result, retail has migrated westward from Waterloo to service the community more efficiently. East Viking Plaza has been the direct beneficiary." Contact meredithhousman@dkatz.com.

The lack of appropriate lease opportunities in Downstate Illinois led to the need to secure sites to accommodate Vitamin Shoppe's needs through development.

According to Daniel J. Mitchell, Executive Vice President of Development for Katz & Associates, "We were able to secure outstanding locations in both **Peoria and Bloomington/Normal, Illinois** for small multi-tenant buildings featuring The Vitamin Shoppe as the lead tenant. Citrus Development is the developer of both projects and slated to begin construction this fall for mid 2009 openings." Katz and Citrus have several other downstate sites in negotiation for The Vitamin Shoppe anchored strip centers. Contact mikeolsen@dkatz.com.

Citrus Development has recently closed on an 8,300 sf former Pier One building located on a prime outlot in front of the dominant power strip center in **Pueblo, CO**. Plans are underway to divide the building into a multi-tenant project with lease negotiations well underway for nearly 80% of the space. Contact bruceboxer@dkatz.com.

In addition to the aforementioned projects, the Southeast Region also remains very active in the leasing field, with current listings totaling approximately 1,200,000 sf throughout Florida and the Carolinas. Florida assignments include **The Current at Lee Vista** in Orlando, FL (700,000 +/- sf), **Page Field Square** in Ft. Myers, FL (100,000 +/- sf) and **Weston Shops** in Weston, FL (35,000 +/- sf). The Current at Lee Vista will fill a retail void in the Orlando Airport/Semoran Blvd. market in Orlando. This area of the Orlando market has seen significant

retail growth in the last 12-24 months. Page Field Square in Ft. Myers will be home to new big box retailers not yet represented in that market. Small shops and one outparcel opportunity are also available. Weston Shops is located in Weston, FL, one of the most affluent suburbs in Broward County. This insulated trade area remains a strong retail market. Contact meredithhousman@dkatz.com.

Leasing projects in the Carolinas include **Wake Union Place** in Wake Forest, NC (393,000 +/- sf) and **Reynolda Village** in Winston Salem, NC (60,000 +/- sf). Wake Union Place will deliver a number of new retailers to the Wake Forest market in Summer 2010. Reynolda Village, a specialty village located in Winston Salem, NC, will be home to small shops and unique boutiques anchored by Village Tavern. Contact juliegardner@dkatz.com.

According to Martin Hennessy, Senior Vice President Southeast Region, "The leasing environment has been challenging. However, our team of Meredith Housman and Julie Gardner have the experience and relationships that will best serve our developer clients in these difficult times."

"Katz & Associates has been the broker procuring the sites and leasing all of the projects featured above. We at Katz & Associates value our relationship with a select group of outstanding developers that have come to rely on us for providing quality development opportunities and the ability to lease the projects through to successful completion," said Daniel J. Mitchell. For development, contact danmitchell@dkatz.com.



Katz & Associates will exhibit at the 2008 New York Conference & Deal Making in New York, NY from Dec 8-10, 2008. Come visit us at booth 138 Rhinelander Gallery at the Hilton Hotel, or contact us in advance to discuss exclusive representation.



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Visit us at the
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LOEHMANN'S



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FIVE GUYS



Dandelion

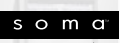
CHICO'S



SHOE CARNIVAL



MAGGIANO'S
LITTLE ITALY



SHEPLERS



a pea in the pod
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