

# FINANCE & COMMERCE

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This rendering shows the design for the 105,000-square-foot store Iowa-based Hy-Vee Inc. plans to build in the Chaska Business Center, an 83-acre mixed-use development on the southwest corner of Highway 212 and Engler Boulevard. (Submitted image: Hy-Vee)

## Just Sold: Hy-Vee, medical building, kick off Chaska Business Center

By: Anne Bretts July 21, 2017 7:02 am 0

*Editor's note: "Just Sold" is a Finance & Commerce feature based on certificates of real estate value recently filed for commercial transactions and significant residential transactions in Twin Cities counties. Additional details in the transactions come from Plat Research, the Minnesota Secretary of State's Office, company documents, online real estate listings, F&C archives, CoStar and other research. Some purchase prices and per-unit calculations have been rounded. Full prices are [available on the CRVs posted here](#).*

West Des Moines, Iowa-based Hy-Vee Inc. has paid \$4.3 million for a 16-acre site for a new store in the long planned [Chaska Business Center](#), although construction may not happen until 2019.

Meanwhile, Eagan-based MSP Commercial gets the honor of being the first to break ground in the 83-acre mixed-use center Minnetonka-based Opus Group is developing on the southwest corner of Highway 212 and Engler Boulevard.

MSP has paid \$778,500 for a 2.86-acre site and plans to start work immediately on its 30,000-square-foot Engler Health Center. Bloomington-based SRA Architects designed the two-story, multi-tenant building, with RJM Construction of Minneapolis acting as general contractor.

The concept of this project has been kicked around for 10 years," said Alex Young, president of MSP. The medical office component has been part of the discussion for eight years, he said.

Tenants include a new location for [Catalyst Medical Clinic](#), based in Watertown. [Town Dental](#) and [Southwest Eyecare](#) will be relocating their existing Chaska locations to the new site, Young said.



*Photo on Left: Construction is starting on the 30,000-square-foot Engler Health Center in the Chaska Business Center.*

The purchase price for the MSP land works out to \$272,203 per acre.

The 105,000-square-foot Hy-Vee store is slated to be the anchor for development, originally called Chaska Creek Business Park. Hy-Vee also is planning a free-standing convenience store and gas station near its grocery store.

The business center also is planned to include other office and office-showroom uses as well as industrial and distribution projects.

Hy-Vee closed Wednesday on the cash acquisition from three entities related to Wabash Management Inc. in Minneapolis. They include Wabash Chaska Farms LLC, Yerf Co. LP and Frey Crow Wing LP. MSP acquired its site from P&F Development LLC, an entity of Community Asset Development Group in Chaska. The purchase price works out to \$268,750 per acre.

Hy-Vee usually develops its buildings, sells them and leases its spaces. Finished stores can command solid prices. In December, Minneapolis-based Ryan Cos. US Inc. [sold a Brooklyn Park Hy-Vee store](#) and site for \$24.1 million to an Iowa investor.

Hy-Vee has opened six metro stores since 2015, in New Hope, Oakdale, Lakeville, Brooklyn Park, Eagan and Savage. Two stores are under construction, in Shakopee and Cottage Grove.

“We do not have a definitive construction timeline for the proposed location in Chaska,” Tara Deering-Hansen, Hy-Vee’s group vice president of communications, said in an email.

Chaska City Planner Elizabeth Hanson said the developers need to run utilities and do extensive site work before construction starts on the grocery store. The retailer also has other projects in its Twin Cities area pipeline.

Hy-Vee [closed in June](#) on the \$5 million acquisition of 24.38 acres of vacant farmland for a second store in Maple Grove. The site at 14901 101st Ave. N. is in the southeast quadrant of Highway 610 and Maple Grove Parkway North, across the parkway from a SuperTarget store.

In May Hy-Vee [submitted the only bid](#) for a city-owned 1.85-acre site in Bloomington that has been vacant for a decade. The grocery chain wants to put a small-format store on the site at 700 American Blvd. W., at the northwest corner of Lyndale Avenue South and American. The new store would be just blocks from the interchange connecting interstates 35W and 494.

Hy-Vee is an employee-owned corporation with more than 240 retail stores, annual sales of \$9.8 billion and 84,000 employees across eight Midwestern states.

**Purchase price:** \$4.3 million cash

**Price per acre:** N/A

**Last sale:** N/A

**Property ID:** 30-0060700

**Date of deed:** 7-18-17

**ECRV released:** 7-19-17

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