

Top Commercial Transactions: Woodbury office building a low price, but a lot of work

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604 Bielenberg Drive, Woodbury (Photo: CoStar)

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Buying a bank-owned property for a low price doesn't always mean the buyer is getting a bargain.

Just ask Alex Young, head of development for [MSP Commercial Properties](#) in Eagan. MSP paid \$1.7 million for a nearly new 18,463-square-foot office building at 604 Bielenberg Drive in Woodbury, far less than the original \$2.4 million asking price set by Milwaukee-based Bank Mutual, which had foreclosed on the original developer.

"We knew going in that it was going to be a lot of work," Young said. He noted the developer left a half-empty building with easement issues, utility issues, parking issues and title issues — and those all cost money to resolve.

"In many ways it was more work than new construction," Young said.

The building was new in 2009, when developer Mark Gossman, chief executive officer of Commercial Equity Partners, built it as part of the second phase of his ambitious Tamarack Hills Business Lifestyle Campus. Gossman leased the first floor to RE/MAX Results, but it went into foreclosure with the second floor empty.

The campus was planned with a mix of restaurants, shops and offices in mainly two-story buildings around a shared parking area, with a management association handling maintenance and other details. Gossman used a mix of bankers, however, and that left Young to try to define one property's role within the project.

Broker Eric Rapp, vice president of Colliers International's Minneapolis office, represented the bank, while Colliers colleague Louis Suarez, a sales associate, represented the buyer.

Rapp said the building was on the market only a few months but was under contract for a year to work out the details before the April 24 closing.

MSP has leased two spaces on the second floor, to a cosmetic surgeon and a dentist, leaving only 3,500 square feet to fill. With a prime location and solid leases, the building is beginning to look like the rest of the company's management portfolio.

"At the end of the day, we're very happy," Young said.

2824 Anthony Lane S., St. Anthony

The buyer of a commercial building in St. Anthony plans to convert most of its traditional office space into a martial arts academy.

A private buyer identified only as Round 6 Investments LLC has bought the one-story building at 2824 Anthony Lane S. in St. Anthony for \$455,000 from Brantwyn Holdings LLC, a private entity based in Eden Prairie. The deal closed April 30.

Brantwyn had bought the 13,595-square-foot building and 1.5-acre lot for \$1 million in 2005. David Kotz of Counselor Realty in Edina, who represented the seller, declined to give many details about the latest transaction. He confirmed that the market had been tough for the seller, as it had been for others. He said there had been some interest in the building but said none of

the earlier plans ended up in a sale.

Jodi Walfoort of Suntide Commercial Realty Inc. in St. Paul represented the buyer. Walfoort declined to name the buyer or the martial arts academy.

F&C stories on other listed top transactions are available online:

209 E. River Parkway, Champlin

The Champlin Redevelopment Authority closed in late April on the \$1.7 million purchase of an apartment building at 209 E. River Road in Champlin from the Henry Frier Trust of Golden Valley.

As Finance & Commerce [reported in January](#), the city has been acquiring land to create the proposed Mississippi Crossing development, featuring 185,000 square feet of new construction along the Mississippi River. Proposed projects include 416 apartment or condo units, 41 townhouses, an 8,000-square-foot event center and a 60-room hotel. About six acres would be set aside as open space

May 4: [Just Sold: Champlin assembles parcels for 23-acre redevelopment](#)

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