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Real Estate

After revamps, Hillcrest sells three Northeast Minneapolis properties

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Hillcrest Development has found a Wisconsin-based buyer for a portfolio of fully leased office warehouses in Northeast Minneapolis.

Sara Investment Real Estate, based in Middleton, Wis., is buying the package for an undisclosed sum, said President [Traci Dalsin](#).

Sara buys a wide range of commercial real estate, including fixer-uppers and stable properties. Hillcrest's portfolio offers a mixture of both.

The off-market deal is expected to close the first week of June. It will be Sara's third acquisition in the Twin Cities and fourth in the state. It also owns office buildings in Minnetonka and Edina and a retail building in Rochester.

The portfolio, which totals about 300,000 square feet, includes:

- Frost Building at 1209 Tyler St. N.E., a 40,000-square-foot building redeveloped by Hillcrest in 2009. Tenants include Modern Survey and Dogwood Coffee Co.
- Crown Center at 1331 Tyler St. N.E., a 140,000-square-foot complex that Hillcrest spent \$8 million renovating in 2009. Tenants include medical-device maker Tactile Systems Technology Inc., Blu Dot Furniture and Bauhaus Brew Labs.
- 1515 Central Ave. N.E., a 100,000-square-foot trio of buildings Hillcrest bought in 2012 and renovated. Tenants include taproom and brewery Sociable Cider Werks and architectural firm James Dayton Design.

"This is a fairly major sale for us and these are signature properties," said [Scott Tankenoff](#),

managing partner of Minneapolis-based Hillcrest Development. "But what we do well as a company is we go out and solve problems. The problems have basically been addressed at these. There's only so many hours in a day and we have large projects that we're finishing in Northeast, St. Louis Park and Edina. It's about time and brain cells and bandwidth."

[Traci Dalsin](#), president of Sara Investment Real Estate, said her company "is definitely doing a lot of expanding and this is one of the region's that we're expanding into. We have hired a full-time director of operations for the Minnesota market who will be running the properties."

"We do see potential for some redevelopment [in these buildings]. ... I actually could see a few different projects in the \$1 million to \$5 million range. It depends on which direction we go," she said.

Sam Black covers real estate, manufacturing and economic development.