

Just Sold: Hillcrest industrial rehab draws new tenant, new buyer

By: [Anne Bretts](#) February 18, 2015 7:05 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 on the CRVs are [available here](#).

900-936 Hennepin Ave. E., Minneapolis



Minneapolis-based Hillcrest Development cleaned up this old industrial site at 900-936 Hennepin Ave. E., in Minneapolis, found a long-term tenant and now has found a private buyer for the property. (Submitted photo: CoStar)

The vacant, aging industrial building at 900 Hennepin Ave. E in Minneapolis wasn't much to look at when Minneapolis developer Scott Tankenoff bought it in 2008 for \$489,590.

Built in 1919 on a 4.3-acre triangle of land, the 43,554-square-foot building had survived many uses. The latest was as a metallurgical heat-treating facility that left the site in need of soil remediation.

Tankenoff, managing partner of [Hillcrest Development](#), saw potential, however.

Now his confidence has paid off in a \$3.25 million deal to sell the renovated, fully leased building to a private investor in Maple Grove.

CTW Acquisition LLC, a Hillcrest entity, sold the property to 3014-20 LLC and 4330 LLC, two entities related to Tom Jasko of Maple Grove. The sale closed Dec. 9, according to a certificate of real estate value made public Feb. 12. The price, which

included a \$640,000 down payment and a new mortgage, works out to \$74.62 per square foot.

The property drew lots of interest, multiple offers and spent only 30 days on the market, said Dave Berglund, vice president in investment sales in the Minnetonka office of Colliers International, who led the team that marketed a much different property from the one Tankenoff purchased seven years ago.

“We were able to reposition the site,” Tankenoff said.

In fact, he repositioned it twice. He tore down one building on the site and renovated the other, while he worked with local and state agencies to clean up the soil. In late 2011, Hillcrest leased the property to a bus company, but the tenant later had a change of plans and asked to be let out of the lease. Hillcrest was able to do that in 2014, when South Carolina-based Sunbelt Rentals Inc. decided to expand its presence in the Twin Cities. Sunbelt Rentals, a wholly owned subsidiary of Ashtead Group PLX, provides equipment rental for industrial, construction and municipal clients. It has a location in Rosemount, but wanted something farther north, Tankenoff said.

“This is really a mega site,” he said, offering more than 100,000 square feet of outside storage and freeway access to Minneapolis and St. Paul.

Sunbelt Rentals signed a 15-year triple net lease at \$5.65 per square foot, with a stabilized net operating income of \$246,288 a year, according to marketing materials prepared by Colliers.

“We really brought the site as far as it could go from our perspective,” Tankenoff said. “Candidly it seemed that it was the right time to sell.”

Purchase price: \$3.25 million, with \$640,000 down payment and new mortgage

Price per square foot: \$74.62

Property ID: 24-029-24-21-0022/0026

Date of deed: 12-9-14

ECRV released: 2-12-15