

InBrief

Caterpillar plans \$3M expansion in Brooklyn Park

Caterpillar Paving Projects will add 31 production jobs as part of a state-backed \$4 million expansion at its Brooklyn Park facility. Caterpillar occupies a 304,950-square-foot facility built in 1971, according to Co-Star Group.

The move, announced Friday by the state, includes upgrades to the plant at 9401 85th Ave. N. Caterpillar Paving, a division of Illinois-based Caterpillar Inc., manufactures paving machines used in road and highway construction.

A Caterpillar Paving representative on Monday declined to comment on expansion plans.

Minnesota's Department of Employment and Economic Development, through its Job Creation Fund, pledged \$307,300 for the project. To get state aid, Caterpillar Paving must hit certain hiring and expansion goals.

"Caterpillar is one of the world's most respected and recognized brands," DEED Deputy Commissioner Kevin McKinnon said in a statement. "The company's expansion in Brooklyn Park is terrific news for the community and will position Caterpillar to continue growing its paving products business."

Since the Job Creation Fund launched in January 2014, DEED has doled out \$10 million to 36 Minnesota companies' expansion projects. Together, those efforts have helped spur 2,100 new jobs and \$176 million in total investment, according to state figures.

—Karlee Weinmann

Target pharmacy sale could mean more layoffs

Another round of layoffs could hit Target's Minneapolis headquarters after the retailer inked a \$1.9 billion agreement to sell its pharmacies and clinics to CVS Health Corp.

In the deal, a network of 1,660 pharmacies across 47 states will trade hands, the company said. CVS will offer comparable jobs to Target's 14,000 in-store health workers, but it's still unclear how the move will affect other jobs.

Following the deal closing, Target will further evaluate the business impact

and related support needs at its headquarters locations," the company said in a statement.

The transaction, expected to close this year, is Target's latest move in its push to scale down. The company has struggled in recent years amid rising pressure from online retailers like Amazon.com, prompting a cost-cutting initiative that eliminated thousands of jobs earlier this year.

In March, Target let go of 1,700 workers in its Minnesota offices and said it would not fill 1,400 open positions, slashing its hometown workforce by about 12.5 percent. Since then, it has laid off another 100 administrative assistants in Minneapolis and earlier this month trimmed its Indian headcount by 180.

The company's complete retreat from Canada in April shuttered around 180 stores, putting 17,600 retail employees out of work.

Target has said the wide-reaching restructuring will shave roughly \$2 billion from its costs over the next two years.

—Karlee Weinmann

C&W/NorthMarq will market Hillcrest's Pentagon Park

Bloomington-based Cushman & Wakefield/NorthMarq will reposition Hillcrest Development in its redevelopment of the 42-acre former Pentagon Park site in Edina, the companies announced Monday.

The space, rebranded as The Link, sits on the northeast quadrant of Highway 100 and Interstate 494 in Edina. Hillcrest has proposed a mix of office, medical office, hotel, retail and residential space on the site.

"The scale of this transformative redevelopment in a dense, first-ring suburb is incredibly rare," Scott Tankenoff, president of Minneapolis-based Hillcrest, said in a prepared statement. "Our vision for The Link is to develop an environment that helps businesses to attract and retain the best talent."

Hillcrest began demolition of the property's largest building last year, and that site is now clear.

The site will be redeveloped over a number of years. Tentative plans call for 14 million square feet of office, 80,000 square feet of retail, a new hotel and structured parking.

Bob Revolt, Peter Fitzgerald and Tate Krosschell, all of C&W/NorthMarq, will market the property.

"The team behind The Link has tapped

the best perspectives, vision and expertise of thought leaders to create the next esteemed asset of the Twin Cities business community," Revolt said in a prepared statement.

—Adam Vogt

HUD puts \$380K into Minnesota housing programs

The U.S. Department of Housing and Urban Development said Monday it doled out \$380,000 to seven Minnesota organizations working to guide more people to stable housing.

Grant recipients include a pair of Minneapolis groups—the African Development Center of Minnesota and the Homeownership Preservation Foundation—and two in St. Paul, the Minnesota Homeownership Center and Southern Minnesota Regional Legal Services.

The Anoka County Community Action Program, Catholic Charities Diocese of St. Cloud and St. Louis Park's Community Action Partnership of Suburban Hennepin also got funding through the program, a \$6 million nationwide effort to support housing counseling services.

"Housing counseling grants awarded in Minnesota will help educate consumers and increase much-needed access to credit opportunities," HUD Midwest Regional Administrator Antonio Riley said in a statement. "Achieving and retaining the American dream will be within reach of more individuals."

Hundreds of grantees around the country help would-be homebuyers evaluate their options for homeownership and related financing, steer families to affordable rentals and assist in fixing credit problems that can hold up housing. They also offer transitional services to the homeless and help seniors pursue reverse mortgages, according to HUD.

"Whether you're a first-time buyer or trying to keep the place you've always called home, knowledge is the key to financial empowerment," HUD Secretary Julian Castro said in a statement.

—Karlee Weinmann

Tom Tracy joins The Excelsior Group

The Eden Prairie-based Excelsior Group has hired veteran broker Tom Tracy as

its new vice president, the company announced Monday.

In his new role, Tracy will create and execute plans for office-related investments, including leading the development of two office towers at the West End in St. Louis Park.

Tracy spent the past 18 years as an executive director of office leasing for Bloomington-based Cushman & Wakefield/NorthMarq. In that time, he was the leasing broker for the 17-million-square-foot Normandale Lake Office Park in Bloomington and played a key role in two different sales of the property, the most recent of which holds the record for the largest sale in Minnesota history.

Among his other achievements, Tracy has completed more than 600 real estate transactions totaling 13 million square feet. He was named the Minnesota Commercial Association of Real Estate's Broker of the Year in 2011.

—Adam Vogt

its new vice president, the company announced Monday.

In his new role, Tracy will create and execute plans for office-related investments, including leading the development of two office towers at the West End in St. Louis Park.

Tracy spent the past 18 years as an executive director of office leasing for Bloomington-based Cushman & Wakefield/NorthMarq. In that time, he was the leasing broker for the 17-million-square-foot Normandale Lake Office Park in Bloomington and played a key role in two different sales of the property, the most recent of which holds the record for the largest sale in Minnesota history.

Among his other achievements, Tracy has completed more than 600 real estate transactions totaling 13 million square feet. He was named the Minnesota Commercial Association of Real Estate's Broker of the Year in 2011.

—Adam Vogt

Northern Trust names MN wealth management head

Northern Trust on Monday introduced Robert Lawson as the head of its wealth management business in Minnesota.

As Minnesota State President, Lawson will provide strategic oversight and leadership for operations within the state from Northern Trust's downtown Minneapolis office.

Lawson decamped to Northern Trust from the U.S. Bank's private client reserve, a Minneapolis-based wealth management business serving clients with \$3 million or more in net worth, mainly business owners and corporate executives. He was senior vice president and managing director for the operation.

"We are excited to have someone with Bob's extensive background in the wealth management industry and knowledge of the Minnesota business community to lead our team in this important market," Northern Trust Central Region President Mac MacLellan said in a statement.

Northern Trust has \$238.1 billion in assets under management, making it one of the top-10 U.S. wealth managers. It has offices across the United States and overseas.

—Karlee Weinmann

Press

Continued from page 1

at the site, said Moille Mitchler, a spokeswoman for the city's Planning and Economic Development Department.

Terms of the deal were not disclosed. The building had been listed at \$4.2 million, or about \$26 per square foot. Stencil said his company paid "not too far" below the listing price.

Minneapolis-based BKV Group is the project architect.

Ramsey County values the building at \$3 million, according to property tax records.

The apartments would be Stencil's first project in the Twin Cities. Finance & Commerce reported in November that the company had proposed a new 110-unit apartment building in downtown Rochester.

Stencil also owns apartments in Sioux Falls and Aberdeen, South Dakota, and develops single-family homes in Sioux Falls, Aberdeen and Rochester, according to its website.

The Pioneer Press building will become one of several office buildings in St. Paul's downtown or Lowertown neighborhoods to undergo a conversion to apartments.

About two blocks east, work is now finished on the 125-year-old Pioneer-Endicott complex, a former home of the Pioneer Press that was converted to 234 apartments. About another block east of that, developer Timberland Partners is redeveloping the 101-year-old Sibley Square office building into about 130 apartments.

Work is also underway to convert the former Eugene McCarthy Post Office at 180 Kellogg Ave. E. into 202 apartments and a 143-room Hyatt Place hotel. The building should be fully open next spring.

The office vacancy rate in downtown St. Paul has hovered steadily around 20 percent for years, according to the Greater St. Paul Building Owners and Managers Association. The apartment vacancy rate in downtown St. Paul was 4.1 percent in the first quarter of the year, according to Minneapolis-based Marquette Advisors.

The Pioneer Press building has been on the market in some form since 2012, when the newspaper first began seeking potential tenants to lease parts of the space.

The newspaper announced in late 2013 that it would shutter and sell its 108,000-square-foot printing building on the south side of the Mississippi River in St. Paul and shift its printing operations to the Star Tribune media company

As Finance & Commerce reported in May, the printing facility sold for \$2.9 million.

Stencil hopes to start interior demolition on the Pioneer Press building this fall and begin rebuilding the interior in early 2016. The building should be ready for occupancy in late summer or early fall of 2016.

The Pioneer Press building sale is also the second major Twin Cities newspaper headquarters to trade hands in about 18 months.

In early 2014, the Star Tribune newspaper sold five downtown Minneapolis blocks, including the site of its former headquarters building at 425 Portland Ave., for a total of \$28.5 million. Minneapolis-based Ryan Cos. US Inc. is redeveloping four of the blocks into two office towers, about 195 apartments and a public park. The Minnesota Sports Facilities Authority bought the fifth block of land and is building a 1,600-seat parking ramp kitty-corner from the new Minnesota Vikings Stadium. Ryan, which is building the ramp, has the air rights above the facility.

The Star Tribune has since relocated to about 130,000 square feet of leased office space in the former Park Building in the Capella Tower complex.



Gasoline, diesel prices hold steady in Twin Cities

The average price of regular unleaded gasoline in the Twin Cities fell 0.1 cent per gallon to \$2.385 in the week ended Monday. The highest recorded average in the Twin Cities was \$4.320 on May 18, 2011. The national average this week rose 0.1 cent to \$2.747.

Twin Cities fuel prices

	Regular	Mid	Premium	Diesel
Monday	\$2.385	\$2.695	\$2.997	\$2.981
Week ago	\$2.544	\$2.854	\$3.156	\$3.136
Month ago	\$2.402	\$2.754	\$3.053	\$3.048
Year ago	\$3.027	\$3.344	\$3.637	\$3.604

Source: AAA Gas Prices & News Service. *Excludes taxes and discounts. †Includes taxes and discounts.