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From the Minneapolis / St. Paul Business Journal:

<https://www.bizjournals.com/twincities/news/2019/11/22/general-mills-sells-former-cheerios-plant-in.html>

General Mills sells former Cheerios plant in Minneapolis brewing district

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The prominent white building in Northeast Minneapolis where General Mills Inc. made Cheerios until recently has been sold to a developer who has helped reshape the neighborhood.

Hillcrest Development paid \$2.1 million for the Purity Oats plant at 1210 Jackson St. NE, which today sits in the middle of a craft brewing and arts district. Golden Valley-based General Mills (NYSE: GIS) has moved production of oat flour to its nearby Fridley plant.

Hillcrest bought the property as an investment play and a sort of defensive move, said Scott Tankenoff, managing principal for the firm. A few years ago Hillcrest redeveloped a former Minneapolis Public Schools building into 170,000 square feet of office space, which is home to SportsEngine Inc. and other companies. That building, called the Highlight Center, borders the south side of the General Mills property.

"It's not a usual purchase we would make. It isn't a good value. We bought it because we are a neighbor and for strategic reasons," he said .

For the immediate future, Hillcrest will use the property as additional parking for its Highlight Center, but will need to do some brainstorming on its long-term future. The five-story, 115,000-square-foot building, Tankenoff said, has been expanded several times over the years and had varying floor and ceiling heights. It's not clear if it will be salvaged or demolished, though Hillcrest has a niche for repurposing old buildings.

"We have been studying it, investigating it," he said. "We are going to figure out what to do, what makes sense. We solve puzzles. We buy someone's challenge project and figure it out. It's not a problem property, but it's a puzzle. It's like a Rubik's cube."

Andy Heieie and Bill Ritter of Colliers International Minneapolis-St. Paul represented General Mills on the sale. He said that the site was attractive to developers and investors because of the vibrant Logan Park neighborhood, which includes Able Seedhouse + Brewery, Indeed Brewing, art galleries, restaurants and Quincy Hall, a newly-renovated event space.



GOOGLE IMAGES

The General Mills Purity Oats plant was sold to Northeast Minneapolis developer Hillcrest Development.

“Like many, they (Hillcrest) are very bullish on the area — not just Northeast, but this particular business node,” Heieie said.

The parties interested in the site tended to be developers and investors and not industrial users, Heieie said.

“I also sold a grain elevator off Hiawatha a couple years ago and in my limited experience, it’s hard to find an exact use that fits,” he said. “It was built for a very specific use, so it’s hard to find someone to come in and use it as is.”

The sale marks another move by General Mills to shed a major Minneapolis property. The company got its start on the Mississippi River, powered by St. Anthony Falls, in 1866. It moved its headquarters to Golden Valley in 1952, where it remains, though it has maintained some operations in Minneapolis since.

It sold its research and development facility near St. Anthony Falls in 2017. That building has been demolished and Doran Cos. and CSM Corp. are developing apartments on the site.

It also sold some its silos along Hiawatha Avenue to Minneapolis developer Hayes Harlow last year, though a spokeswoman for the General Mills said the company still owns two elevators in Minneapolis. One of those is on around 3.5 acres of land on Hiawatha.

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