



Seattle-based Elliot Bay Capital Trust has paid an entity of Eagan-based MSP Commercial nearly \$7.1 million for the 22,721-square-foot HealthEast Clinic - Midway at 1390 University Ave. W. in St. Paul. (Submitted photo: CoStar)

## Just Sold: MSP Commercial sells two HealthEast Clinics for \$12.7M

By: Anne Bretts ⌚ June 20, 2018 7:01 am 🗨️ 0

*Editor's note: "Just Sold" is a Finance & Commerce feature based on certificates of real estate value recent for commercial transactions and significant residential transactions in Twin Cities counties. Additional detail transactions come from Plat Research, the Minnesota Secretary of State's Office, company documents, online estate listings, F&C archives, CoStar and other research. Some purchase prices and per-unit calculations have been rounded. Full prices are available on the CRVs posted here.*

Eagan-based MSP Commercial has sold two HealthEast Clinic properties in St. Paul for a total of \$12.7 million in unrelated deals with two separate buyers eager to expand their holdings in the Twin Cities.

In one deal an entity related to Seattle-based Elliot Bay Capital Trust paid an MSP entity nearly \$7.1 million for a 22,721-square-foot HealthEast Clinic – Midway at 1390 University Ave. W. in St. Paul. The clinic was developed in 1998 on 1.54 acres on the south side of University Avenue, just east of Snelling Avenue and for a time served as Border's Bookstore. The property sold for \$2.25 million in 2011.

The current price works out to \$311.39 per square foot.

In the second transaction, an MSP entity sold the HealthEast Clinic – Rice Street at 980 Rice St. for \$5.95 million. (See next item.)

Alex Young, president of MSP, said the two properties were mature investments that were positioned well for the future. MSP will continue to manage both buildings.

"Tenants won't notice a difference," Young said. Proceeds will go back into the company's 33 development projects and properties in Minnesota and Wisconsin.

Young brought in Colliers International's Minneapolis-St. Paul Investment Services Team of senior vice president Mark Kolsrud, Colin Ryan and David Berglund, who collaborated with Louis Suarez and Brian Bruggeman of Health Care Services Team to market the properties.



"We had a ton of interest," Ryan said. Buyers from all over the country bid on the two properties, but no one was able to claim both.

Elliott Bay CEO Christian Whipple said bidding on the University Avenue West property was an easy decision.

"The seller in this property was the same one that sold us our first property in the Twin Cities," Whipple said. "We had an existing relationship with them."

The property's location near the intersection of Snelling and University avenues is in one of the Twin Cities' development areas, Whipple said. Finally, the 2017 acquisition of St. Paul-based HealthEast Care System by Minneapolis-based Fairview Health Services improved the value of the property, he said.

"It checked all the boxes for us," he said.

As Finance & Commerce reported, Elliott Bay Healthcare Realty II LLC in December paid an MSP entity \$5.1 million for a 21,000-square-foot Class B medical office building at 1725 Legacy Parkway E. in Maplewood. The building was previously leased to a U.S. Department of Veterans Affairs clinic and to Fresenius Medical Care, a dialysis provider based in Germany.

**Purchase price:** \$7.1 million

**Price per square foot:** \$311.39

**Last sale:** \$2.25 million in 2011

**Property ID:** 34-29-23-31-0018/0024

**Date of deed:** 5-13-18

**ECRV released:** 6-13-18

### **HealthEast Clinic – Rice Street sells for \$5.59 million**

**Description:** HealthEast Clinic – Rice Street, a 15,635-square-foot Class B medical office, built in 2004 on 1.66 acres at 980 Rice St. in St. Paul

**Buyer:** Four entities related to Edgewood Real Estate Investment Trust of Grand Forks, North Dakota: EWR St. Paul Rice Street LLC, Auburn Manor Apartments LLC and West Park Trade LLC, all of Fargo, North Dakota, and Southwest 401 LLC, of San Diego

**Seller:** Rice Street Professional Building LLC, an MSP entity, Eagan

**Purchase price:** \$5.59 million, with no down payment listed and new financing; part of a 1031 exchange

**Price per square foot:** \$357.53

**The transaction:** Four entities related to Edgewood Real Estate Investment Trust in Grand Forks, North Dakota, have paid \$5.59 million, or \$357.53 per square foot, for the HealthEast Clinic – Rice Street in St. Paul.

The seller was an entity related to Eagan-based MSP Commercial. The 15,635-square-foot Class B medical office building at 980 Rice St. was one of two MSP properties put on the market this spring. The other building sold to a different buyer last month (see previous item.)

"We like the tenant and we like the facility," said Jon Strinden, executive vice president and general counsel of Edgewood Group LLC.

Formed in 2011, Edgewood has focused mainly on senior housing, building a portfolio of 61 senior housing properties with a mix of independent living, assisted living and memory care facilities in Idaho, Montana, North Dakota, South Dakota, Wyoming and Minnesota. Edgewood also owns 3,740 apartment units in 28 p



980 Rice St., St. Paul (Sub photo: CoStar)

in North Dakota, Minnesota, Missouri and Kansas. It owns four professional/medical office buildings. Two are in North Dakota. The HealthEast building is the company's second medical office in the Twin Cities.

In 2017 the company paid \$4.1 million for a 16,494-square-foot Class C medical office built in 1980 at 1771 Hutchins Drive in Minnetonka, according to Hennepin County records.

**Last sale:** N/A

**Property ID:** 30-29-22-23-0196/0200

**Date of deed:** 6-8-18

**ECRV released:** 6-18-18

### **Main Street Office sells for \$4.7 million**

**Description:** Main Street Office, 34,450 square feet of space at 7645 Lyndale Ave. S. in Richfield

**Buyer:** 2075 Ford Parkway LLC, 85 percent interest, Bloomington, and WWRE LLC, St. Louis Park

**Seller:** Main Street Office LLC, Richfield

**Purchase price:** \$4.7 million cash, part of a 1031 exchange

**Price per square foot:** \$136.43

**The transaction:** The owners of the bulk of space in the Main Street Corporate Center in Richfield have a new group of private investors.

Main Street Office LLC in Richfield closed June 7 on the sale of the 34,450-square-foot office on the northeast corner of 77th Street and Lyndale Avenue South. The buyers are listed as Bloomington-based 2075 Ford Parkway LLC, with an 85 percent interest, and WWRE LLC, based in St. Louis Park.

Stephen R. Lysen and Joe Conzemius of the Minneapolis office of CBRE represented the seller. Lysen described the transaction as a sale between private investors and declined to share information about the parties involved.

The anchor tenants in the building are Weis Builders Inc. and Tushie Montgomery & Associates. Other tenants include Twin City Christian Homes Inc., Avinity and Senior Living Homeownership Preservation. Hennepin lists the building on three separate legal parcels as part of the complex. The sale included three parcels related to office and parking but doesn't include the parcels related to the senior housing facility that is adjacent to the office building.

**Last sale:** N/A

**Property ID:** 34-028-24-33-0152/0153/0154

**Date of deed:** 6-7-18

**ECRV released:** 6-18-18

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7645 Lyndale St., Richfield  
(Submitted photo: CoSI)



