

FINANCE & COMMERCE



An investor has paid \$3.2 million for this 19,000-square-foot Aldi store built as part of The Venue apartment and retail project at 551 W. 78th Ave. W. in downtown Chanhassen. (Submitted photo: CoStar)

Just Sold: New downtown Chanhassen Aldi draws \$3.2 million

By: Anne Bretts April 3, 2020 6:00 am

Editor's note: 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.

Keith Sturm and his team at [Upland Real Estate Group Inc.](#) in Minneapolis deal with dozens of retail real estate sales each year.

Sturm had a challenge, however, in arranging the March 24 closing in the \$3.2 million sale of a new Aldi grocery store at 551 W. 78th Ave. in Chanhassen. No certificate of real estate value was available Wednesday.

Aldi is a strong brand, and the store is part of The Venue, a mixed-use project with a key downtown location. The property drew significant interest from investors, Sturm said. The identities of the buyer and seller were unavailable.

The devil is in the details, however.

“It was a very complicated sale,” Sturm said. “The property doesn’t have any land beneath it.

You’re really buying a piece of air.”

That piece of air contains the 19,000-square-foot retail building leased for the next 19 years to Aldi. The price works out to \$168.42 per square foot.

The challenge is that the building is part of The Venue, which also includes the 134-unit Venue apartments. The buildings have two common walls, which isn’t unusual. Instead of a typical ground lease, however, the sale involves a store sitting on top of an underground parking garage that is part of the apartment building and not part of the sale.

Sturm credited Greg P. Brenny, an attorney with the Minneapolis office of Taft Law with steering the process of creating legal descriptions for the two new parcels.

Minnetonka-based [Roers Cos.](#) and Minneapolis-based [United Properties](#) [partnered in the development](#). United bought the 3.99-acre site for \$2 million in 2018.

The building sits between the Chanhassen Dinner Theater to the east and the Chanhassen Cinema to the west. For six decades it had been home to Frontier Mall. The site is about a block north of the intersection of Arboretum Boulevard and Market Boulevard.

Also in the area are the City Center Community Park, Kerber Pond Park, Chapel Hill Academy and South Lotus Lake Park.

Most of Chanhassen lies in Carver County, with the eastern portion spilling over into Hennepin County.

Place: 19,000-square-foot retail store, 551 W. 78th Ave., Chanhassen

Price: \$3.2 million; \$168.42 per square foot

Buyer: N/A **Seller:** N/A

Date: 3-24-20