

FINANCE_{AND}COMMERCE

Ten-building complex in Eagan is 91.5 percent leased

Burl Gilyard
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Philadelphia-based BPG Properties Ltd. entered the Twin Cities market last year with a deal to buy Interchange Office Park in St. Louis Park, now renamed Metropoint.

Last Friday, BPG closed on its second local deal: the \$80.1 million purchase of Grand Oak Business Park in Eagan.

Brant Glomb, vice president with BPG Properties, said the 10 buildings purchased by BPG total nearly 540,000 square feet, including a small amount of retail space.

All told, Glomb said, the buildings are 91.5 percent leased.

The tumult in the credit markets, which has pushed highly leveraged buyers to the sidelines, was not an issue for BPG.

"We're a very well-capitalized firm," Glomb said. "In this current environment, I think we're a very good candidate for finding other opportunities. "

BPG purchased the property on behalf of its BPG Investment Partnership VIII, an \$850 million private equity fund.

The deal does not include three other buildings in the office park that previously had been parceled out to other owners.

The property hit the market over the summer.

"It was a somewhat difficult decision for us. We spent 10 years creating the park," said Greg Miller, president of Interstate Partners, which developed and owned the business park. "I bought the first piece of land in November of '97. "

Through several subsequent deals, Miller assembled a 100-acre site.

Miller said that there were several partners in the project and that the consensus was that it was time to sell.

Interstate Partners is based in Waukesha, Wis., and has a local office in Eagan.

"I think we received more than 10 written offers," Miller said. "We selected BPG because we thought they were the best fit for this project. "

Investment brokers Terry Kingston and Tom O'Brien of the local office of Cushman & Wakefield represented Interstate in the deal. A representative of Kingston's office declined comment on his behalf.

Colliers Turley Martin Tucker has picked up the leasing assignment for the office park, which previously had been handled by Equity, A Transwestern Company.

"We were impressed with their leasing pitch," Glomb said. "Locally, we like to spread the business among the different leasing firms. "

Cushman & Wakefield handles the leasing at Metropoint for BPG.

Mark Stevens, senior associate with Colliers Turley Martin Tucker, said the complex has about 50,000 square feet of vacant space. The largest contiguous block is 18,000 square feet in Grand Oak X.

"We're excited to be part of the team," Stevens said.

Interstate Partners will continue to provide on-site management at Grand Oak Business Park.

BPG remains interested in finding other properties in the Twin Cities. "We sure are," Glomb said.