

MINNEAPOLIS ST. PAUL
BUSINESS JOURNAL

BEST IN REAL ESTATE

2006

april 2007

THE IVY

HOTEL + RESIDENCE

92 condos

136 guest rooms

7,000-sq.-ft. restaurant

17,000-sq.-ft. spa

\$95 million

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225 South Sixth

St. Anne's

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MINNEAPOLIS ST. PAUL BUSINESS JOURNAL

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WINNER

Lease - Industrial

InterNet

BY HENRY BREIMHURST
CONTRIBUTING WRITER

You've probably heard the cliché, or some variation of it: You can have it done fast, or you can have it done right.

Fortunately for InterNet Inc., those two things aren't always mutually exclusive. When the owner of the building InterNet was occupying looked for a sublessor for the excess space in the facility, it got more than it bargained for: a buyer.

Unfortunately, that left InterNet, which deals in mesh and netting for a variety of filtering, agriculture and industrial applications, with a sudden need for a new home.

The 90-day project that followed, thought by Best in Real Estate judges to be a model of efficiency and doing things right, was remarkable enough to become winner of the Best in Real Estate 2006 award for Lease — Industrial.

The last time InterNet moved, several years earlier, it took about four months to get into its new space. Things moved a little quicker this time around.

"From the day of the first showing to (occupancy was about 60 days," said Scott Moe, Vice President — Industrial for Duke Realty Corp. Although first showings of a potential space are often meet-and-greets and sales pitches, given the timeline, Duke and InterNet took it a step further.

"I was able to bring my construction guy to the first showing," Moe said. "They had their operations people. We were stepping things off and planning for the space before an agreement had even been reached."

This would become a theme for the entire project: Not a moment was wasted.

Part of the secret of success for the InterNet lease was that Duke was able to handle almost everything. It owned the building in question, a large office-industrial unit in the Crosstown XII development; it negotiated the lease; it did the space planning; it did the construction. Even Duke's in-house legal counsel was called on to help turn the paperwork around in an expeditious fashion.

The result? A day saved here, a week there.



"Duke was very good," said Greg Frandsen, President of Brooklyn Park-based InterNet. "Once we had the terms and conditions, I think it took them less than a month to build it out."

The end result of the deal is a 72,000-square-foot space with 6,600 square feet of office space, 20,000 for light manufacturing and the balance for warehousing. The location also serves as the headquarters for InterNet. Since it is the main office location, InterNet also was glad to get a prominent end-cap spot in the development.

While neither overly complex nor extraordinarily large, the InterNet lease has a lot going for it.

"This is a great example of getting the job done right in the time allowed," said David Wright, Vice President of the Commercial Properties Group at Minneapolis-based U.S. Bank Corporate Real Estate and a Best in Real Estate judge. "A 90-day turnaround is absolutely unheard of in real estate."

And 90 days might even be a little generous. Even with the first month spent exploring options, InterNet was able to get into the space early to move in its inventory.

The equipment, Frandsen said, was shut down in the old space on a Friday, moved

[STATS:]

VALUE:	NOT PROVIDED
LOCATION:	7601 SETZLER PARKWAY N., BROOKLYN PARK
SIZE:	324,000-SQUARE-FOOT BUILDING; 72,000 SQUARE FEET LEASE
LEASE TERM:	SIX YEARS
DEAL SIGNED:	SEPTEMBER

[PLAYERS:]

TENANT:	InterNet Inc.
TENANT BROKER:	Welsh Cos.
LESSOR:	Duke Realty Corp.
LESSOR BROKER:	United Properties
DEVELOPER:	Duke Realty Corp.
GENERAL CONTRACTOR:	Duke Construction
LEASING AGENT:	Scott Moe

over the weekend and running again on Monday — crucial for a business with a lot of customers who demand immediate shipping.

Frandsen said that, while obviously pleased that the company was able to get the deal done and the space built in near-record time, he also was delighted to find that no corners had been cut in the construction process in order to trim the timeline.

Done fast and done right? Sounds like a recipe for the Best in Real Estate.

Henry Breimhurst is based in Golden Valley.