



## REAL ESTATE & SPORTS

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### CLOSER LOOK

# Newport sees flurry of development deals

For decades, the tiny east metro city of Newport has made do with limited commerce – a great little greasy spoon called The North Pole, a popular go-kart track Raceway to Fun, the long-running Tinucci's Restaurant and a drive-in A&W, among a few other retailers.

However, the community of 3,600 people hasn't seen much in the way of development in years, partly because of a reconfigured Highway 61 that hurt the town's existing businesses and also because of the recession.

Now the city nestled between St. Paul, Cottage Grove and Woodbury is experiencing a boom, with several developments planned that would add nearly 300 housing units, 350,000 square feet of office and industrial space, and 76,000 square feet of retail, including Newport's first grocery store.

"We have been a diamond in the rough here," said City Administrator Deb Hill. "The economy has loosened up. We've had a lot of irons in the fire and it's about time."

The most recent development plans come from Michial Mularoni, whose M&M LandCo is pitching an 8.4-acre mixed-use project called Red Rock Village on the west side of the Highway 61/Glen Road interchange. He is seeking tax increment financing for the \$50 million project, which would include 96 apartments above retail space, 30 town homes and 22,000 square feet of office space. The 76,000 square feet of retail includes a 29,500-square-foot grocery store.

Mularoni said he is in negotiations with two grocers for the space. "I believe the political climate at the City Council is in the right frame of mind, as opposed to the last several decades." Mularoni is an architect and developer who previously worked as a planning consultant for the city.

Across the highway, Scannell Properties is demolishing the 16-acre former Raceway to Fun complex, which Scannell bought in June after the owners closed the business. The company has preliminary approvals for a two-building, 227,000-square-foot business park that could be used for office

or warehouse.

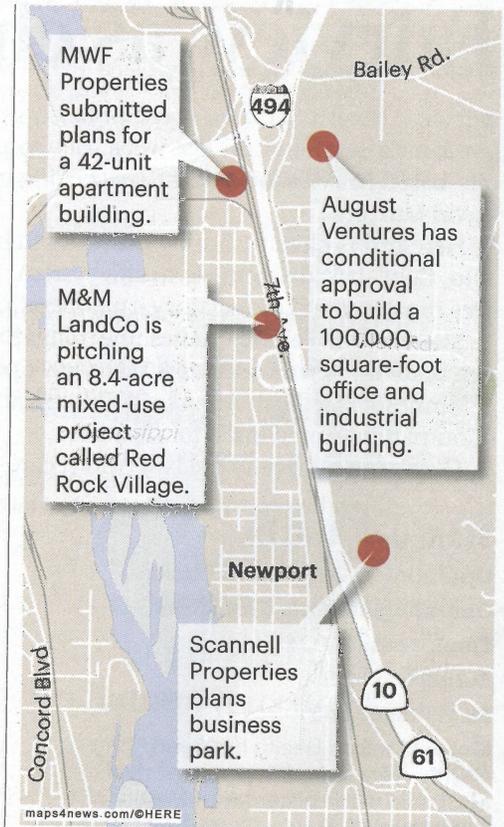
Scannell's Daniel Madrigal said the project's investment could total \$14 million after buildouts.

Further north, MWF Properties of Richfield has submitted plans for a 42-unit apartment building near Metro Transit's new station at the Highway 61/Interstate 494 interchange.

Hill said the last time an apartment building opened in Newport was 1985.

The city has granted August Ventures of Edina conditional approval to build a 100,000-square-foot office and industrial building at the southwest corner of the same interchange. Joe Sullivan of August Ventures could not be reached for a status update on that project.

The last large undeveloped area of the city is in the northeast quadrant, near the Woodbury and St. Paul borders. The city owns 20 acres, and another 30 acres is privately owned. Hill said the city has met with developers about bringing sewer and water to the area, which could unlock potential for 115 single-family homes.



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