

# The Birmingham News

## Real Estate Giant Stretches From Magic City North Minnesota development part of \$1 billion total space

**Tuesday, December 25, 2007**

ROY L. WILLIAMS

News staff writer

Plans to build a retail development with an outlet center, a big box retailer, restaurants and a hotel in a northern Minnesota city were unveiled last week. The news didn't get attention in Birmingham, but there is a local connection.

The company behind the project in Bemidji, a tourist destination and a major commercial hub in northern Minnesota, is an affiliate of Birmingham-based Capital Growth Properties Inc., a real estate firm formed two years ago when two brothers from Tuscaloosa merged their companies.

Capital Growth is led by Chief Executive Bill Buchalter and his brother Robert, chief real estate officer and head of Buchalter Co., a Tuscaloosa developer known for building Capstone Condominiums, one of the first student condo projects near the University of Alabama.

Buchalter Co. serves as Capital Growth's real estate development, construction management and leasing arm. In April 2006, the brothers added a third partner, John Nagle, a veteran of Chicago-based General Growth Properties, one of the nation's largest mall developers and part owner of Riverchase Galleria.

Capital Growth owns and leases 78 commercial and multifamily properties worth a combined \$1 billion in 10 states. Its holdings can be found in Alabama, Florida and Tennessee in the Southeast, Minnesota, Indiana, Ohio and Colorado. Besides Birmingham, Capital Growth has offices in Minneapolis; Coral Springs, Fla.; and Cedar Rapids, Iowa.

The company has several projects under development in Alabama and other states that should swell the size of its real estate portfolio, Bill Buchalter said.

In Tuscaloosa, Capital Growth will break ground in the spring on a \$15 million-to-\$20 million, 20-acre retail center just off Alabama 69 that will be anchored by a major grocery.

Within a year, its Buchalter Co. arm will complete Commons North, a 50-acre, 240-unit apartment complex just off Rice Mine Road in north Tuscaloosa that Robert Buchalter originally started in 2004.

Bill Buchalter, whose 20 years as a stock broker on Wall Street included a stint as senior vice president at Prudential Securities, got the idea for Capital Growth after a traumatic experience - the Sept. 11, 2001, attacks in New York.

He was working just blocks from the World Trade Center when the attack happened, prompting him to return to Alabama and start a venture called Logo Sports, a maker of health drinks catering to fans of college sports teams, including UA's.

Buchalter began letting his partners manage that company three years ago and started putting together a business plan for Capital Growth, which he hopes to turn into a real estate investment trust. Last year, he merged his firm with Buchalter Co., a real estate development company founded in 1964 by his father, Aubrey.

Capital Growth also added Cedar Rapids-based Strategic Growth Group, Nagle's real estate consulting and development firm. Nagle has 36 years experience in the commercial real estate industry, including 15 at General Growth, where he was vice president of leasing.

Nagle, Capital Growth's president and COO, heads its Minneapolis division, Capital Growth Madison Marquette, which specializes in construction and development, leasing and management of retail and mixed-use properties.

Capital Growth Madison Marquette announced the Bemidji project last week. It calls for 460,000 square feet of retail on 60 acres in the project's first phase, followed by a second installment with restaurants, a bank, hotel and additional retail. The first phase should be complete by summer 2009.

Bill Buchalter said the three partners have a combined 70 years of experience.

Robert Buchalter has developed and/or acquired in excess of \$300 million in properties, including retail, office, warehouse, multifamily complexes and residential communities.

A past president of the Home Builders Association of Alabama, he recently developed a project called The Reserve at North River in Tuscaloosa County that includes a CVS pharmacy, a Regions Bank branch, two credit unions, restaurants and an office complex that includes several surgeons' offices.

Nagle joined Capital Growth after he and Bill Buchalter met while playing at a golf tournament two years ago in Scottsdale, Ariz.

"We make a great team," Nagle said.

E-mail: [rwilliams@bhamnews.com](mailto:rwilliams@bhamnews.com)

© 2007 The Birmingham News