

Watching cities' history develop

Peter Kitchak makes a lasting mark on real-estate market



By Jonathan Kalstrom
Contributing writer

The conference room at The Keewaydin Group in the IDS Center features a panoramic view of downtown Minneapolis. It is part of a larger view that Peter Kitchak knows well from his 25-plus years in the downtown commercial real-estate market.

"It's fun to look around this town for me, personally and say, 'There's many major buildings I played a role in, putting the deals together and making them happen,'" said Kitchak, president of Keewaydin, a Minneapolis-based corporate real-estate advising firm with a national clientele.

Recently, Kitchak represented Target Stores in its development of a new downtown office building and represented Piper Jaffray Inc. (now US Bancorp Piper Jaffray) in its lease of a new headquarters.

"Peter is one of the best real-estate minds that I've ever come across in 20 years in the business," said John Griffith, senior vice president of property development at Target Corp. in Minneapolis. "He has obviously very strong legal skills," noted Griffith, "and very insightful negotiating skills."

Kitchak also recently negotiated acquisition of the Fridley site for the new Medtronic headquarters.

Peter's negotiation skills are born of his creativity and knowledge of corporate finance, said Shannon Reilly, principal of The Keewaydin Group. "When people say 'No' or people oppose him on different terms and conditions, Peter has such a creative mind that he comes up with ways to resolve a problem or a conflict that can really work for both sides."

Dedication to his work also contributes to Kitchak's success, associates say. "He has such an unbridled passion for getting the best results out of himself, out of his people, and particularly out of his work for his clients," said Kathy Ehrmann, senior vice president of The Keewaydin Group.

Kitchak enjoys his work. Part of the fun is "doing good work, getting good deals and helping

companies do things they otherwise couldn't — [to] help them be competitive," he said. "The other is having an impact on a city or a place that you're working in and coming out with something that's going to work well."

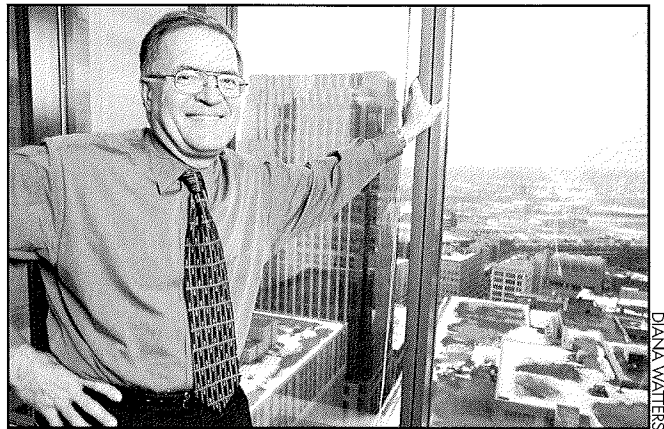
Before launching Keewaydin in 1983, he was a partner in the real-estate department of Faegre & Benson, a Minneapolis law firm. There, he helped structure some of the largest leases in the Twin Cities, including the headquarters for Piper Jaffray Inc. and Pillsbury. In the process, he developed an interest in creating a business to help other companies negotiate leases.

A sudden event led Kitchak to pursue that interest and found Keewaydin: the fire that destroyed the Northwestern (now Norwest) National Bank building on Thanksgiving 1982. At the time, Faegre & Benson occupied a number of floors in that building, and Kitchak spearheaded the successful effort to get the law firm back in business by 8 a.m. Monday, arranging for space, phone service, furniture and other needs.

Today, The Keewaydin Group helps corporations with strategic real-estate planning and represents users in site selection and negotiation for space. The firm also provides development management — handling the day-to-day matters after the deal is done.

Kitchak and his firm recently helped The Guthrie Theater in Minneapolis on a pro-bono basis identify possible sites for a new theater. "I find working with him incredibly stimulating," said David Hawkanson, Guthrie managing director. "He and I have been working closely now for over two years on doing the research, the planning, the strategizing work on site issues and land issues, now MCDA negotiations, and what makes him so valuable and such a great partner and a great resource is he thinks things out very clearly," he said.

The Guthrie project is exciting for Kitchak, a member of the theater's board of directors. "It could be the most significant project that has happened in the Twin Cities, what it's going to do for the whole area, the development of that area, and all the residential [development] down there," said Kitchak. "It's going to make that whole area take off much faster. And the amount of money it's going to put in the coffers of the city by improving real-estate values and increasing real-estate tax, it's going to be dramatic."



DIANA WATERS

Peter Kitchak surveys downtown Minneapolis, where he has played a role in real estate for more than 25 years, including involvement in the new Target headquarters.

Peter Kitchak

■ Current position

President, The Keewaydin Group

■ Age

58

■ Education

B.A., 1963, University of Minnesota, Duluth; J.D. 1968, University of Minnesota, Twin Cities

■ Family

Wife, Patricia

■ Hobbies

Skiing and racing cars

This river front resurgence is just another change in the local real-estate market. "Maybe the most dramatic change is that everything is a lot more sophisticated," Kitchak said.

Twenty years ago, downtown buildings were owned by a local bank or developer. But today, "The buildings are owned by large pension trusts, by real-estate investment trusts, large financial organizations with tiers and tiers of management," he said. "There are no handshake deals. You can't do that anymore; things are just too complex."

The cost of the buildings being constructed, as well as the increasingly litigious society, are some factors behind the changes, according to Kitchak.

Outside the office, Kitchak skis and races cars. In the last three years he's driven in the major endurance races of the world, like the 24-hour races at Daytona, Fla. as well as LeMans, France, and the 12-hour-race at Sebring International Raceway in Florida.