

# Investing in Downtown Duluth

Titanium Partners, LLC identifies real-estate gems for investors

BY JOHN P. PALEN | PHOTO BY TATE CARLSON

Once I overheard a local business owner say that Duluth is a great place to visit or attend school because it's stuck in the '90s. It has the feel of a working-class city inspired by an eclectic arts scene.

But anyone visiting Duluth since 2012 may have noticed some gradual changes, now bordering on big changes. A series of neighborhood revitalization plans, combined with a nature-loving mayor and increased interest in real estate investment, is beginning to change the look and feel of this historic city.

Brian Forcier is one of the players investing in Duluth's downtown revitalization, as well as other neighborhoods. He represents all property types, including medical, hospitality, retail, office, industrial and multifamily housing.

After more than 20 years of working in Duluth's commercial real estate industry, he's noticed renewed interest among business owners and investors in what's happening in Duluth. Four years ago, he started his own company, Titanium Partners, to leverage his relationships in private equity and help more investors create cash flow through real estate investment in the city.

"I specialize in off-market transactions and also 1031 exchanges," Forcier says. "Our team has the expertise necessary to coordinate all activities related to the relinquished and the replacement property."

Combined with the services of an attorney and certified public accountant, Forcier and his team can quarterback 1031 transactions that help real estate owners unload properties, and then identify the right properties or developments in which to invest the proceeds. This real estate exchange can provide continued cash flow for the investors while also deferring capital gains taxes on the proceeds of a real estate sale.

Some of Forcier's projects — and investors — are located in Duluth; others are based in the Twin Cities area or elsewhere. Forcier works with certain banks to supplement capital for new developments or building revitalization.

"There is a risk versus reward discussion," says Forcier. "You have to assess things such as property condition and market condition, lease terms — things that can impact return on investment. Cash flow and, of course, location are key to having a good investment."



Brian Forcier

## LESSONS IN REAL ESTATE INVESTMENT

1. Business owners and real estate investors alike need to understand the real risks of selling and buying certain real estate to determine the best deal for them.
2. To be a passive investor, you will need to consider property management, leasing and brokerage, and asset management services.
3. Allowing you to defer capital gains taxes on the proceeds of a real estate sale, a 1031 exchange provides you with options to reinvest in like-kind properties.

**BIZ BRIEFING**

**TITANIUM PARTNERS, LLC**

**LOCATION:** Duluth

**REVENUE:** \$40 million (2017 transactions)

**INCEPTION:** 2014

**EMPLOYEES:** 6 (plus 30 in other owned ventures)

**LEADERSHIP:** Brian Forcier, President and Chief Deal Maker

**DESCRIPTION:** Boutique investment and development company, providing real estate opportunities and services to investors and owners of companies and real estate.

**WEB:** titaniumpartnersllc.com

Forcier's firm has represented the revitalization of the 120 E. Superior St. building that formerly housed the controversial and troubled retailer, The Last Place on Earth. The prime location now houses a brewery and retail tap-room with additional floors and lake views.

Another property familiar to Duluth visitors is the Voyageur Lakewalk Inn, which Titanium Partners' entity, Voyageur Inn LLC, acquired at the end of 2015. Plans are to revitalize the property.

On a larger scale, Forcier was involved in the development of the new downtown Duluth headquarters for national clothing retailer Maurices.

To some, these developments sound like progress. To others, it may be a sign of Duluth moving into the 21st century, bringing changes that compete with their views of Duluth as a time capsule for simpler living. Hopefully, Forcier and others involved in development along the North Shore can maintain that delicate balance of both. ■



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