

MINNEAPOLIS

# Back from the drawing board, Kraus-Anderson has a much bigger plan for its downtown block

Kraus-Anderson's revised proposal for its block near Elliot Park has apartments, brewpub.

By **Kristen Leigh Painter** (<http://www.startribune.com/kristen-leigh-painter/276895091/>) Star Tribune

AUGUST 21, 2015 — 4:54PM

When Kraus-Anderson proposed building a new headquarters on its downtown block last year, Minneapolis planners said it wasn't ambitious enough.

On Thursday, the company unveiled a new plan to remake the block with something for seemingly everyone: a new headquarters for itself, a boutique hotel, a 17-story apartment tower, a restaurant and bar, a socially conscious brewery and a park for neighbors.

The construction and development company's first step was to present its vision to the Elliot Park neighborhood group, which also resisted its initial proposal last fall. That plan was essentially a reconfiguration and updated version of how the company is now using the block — a small office building and large surface parking lot.

City of Minneapolis staff disliked the parking lot idea and thought more could be done on the block, which is bounded by 5th Avenue S., Portland Avenue, 8th Street and 9th Street at the confluence of the central business district, Downtown East and Elliot Park.

Kraus-Anderson executives said they feel confident about their new, amped-up blueprint.

"We've had incredibly positive feedback from neighbors and the city so far. It's pretty much everything they asked for at the beginning but that we didn't have time to get done [before winter]," said Mike Korsh, Kraus-Anderson's vice president and director of real estate development.

An Elliot Park neighborhood group voted to support the concept design Thursday evening.

"I'm really excited about what we've seen so far," said Jerry Dustrud, a leader on two neighborhood groups.

ESG Architects, Finnegans and an unnamed restaurateur have signed on, each bringing ideas that the previous plan lacked. And parking will all be underground in a two-story, 550-stall garage beneath the block.

Korsh said once the company decided on the new plan, it pushed all its chips in. Kraus-Anderson will temporarily relocate its offices to another site while it wipes the block clean. The plan is to build all of the components at once. If greenlighted by the neighborhood and city, Kraus-Anderson plans to start working early next year.

Pope Architects, a project partner on the office component since the beginning, has simplified its design and added a floor to the Kraus-Anderson building.

The seven-story, 148-room hotel is being called a "Brewtel" for its relationship with a new Finnegans brewery. Minneapolis-based Finnegans is a beer maker that donates all profits to local and regional food shelves. It currently has a brewing arrangement with Summit Brewing Co. in St. Paul, but Jacquie Berglund, Finnegans' chief executive, said, "We are now getting to the size where we need to be thinking about getting our own."

A three-story building adjacent to the hotel will house the Finnegans brewhouse, event space and a new social-impact endeavor led by Finnegans, called the "Finnovation Lab," that will be a business incubator for social entrepreneur start-ups.

The boutique hotel will also include a restaurant and bar by a well-known local restaurateur, Korsh said, declining to provide the name.



([http://stmedia.startribune.com/images/ows\\_1440119961533](http://stmedia.startribune.com/images/ows_1440119961533))  
FEED LOADER

The 17-story, market-rate apartment building will be on Portland Avenue, playing in to a vision by Minneapolis developers, civic and business organizations to bring more foot traffic and vitality to that part of downtown.

Korsh said the 300-unit apartment building “will be along Portland for a variety of reasons, mostly market conditions, and a big part of that is this ‘Portland Residential Corridor’ idea.”

“We’ve been working with a variety of partners to help step up that residential corridor initiative,” he said.

The residential corridor idea — which imagines that thoroughfare as the major artery on which to build development — has been gaining momentum since its inception in April. Jim Stanton’s Shamrock Development is midway through its condo project on a neighboring block and Kraus-Anderson’s project would provide the missing link between that project and the Skyscape condos, the trailblazer project built just before the 2008 recession.

If successful, the corridor’s champions believe it could draw people down from the Commons park near the Vikings’ new U.S. Bank Stadium toward Elliot Park. The office building will be Kraus-Anderson’s new headquarters with 300 employees.

A public park space — or woonerf — between the apartment building and the commercial properties is the final piece of the plan. Neighbors had criticized the absence of such a space in the previous plan, but it was the greatest selling point at Thursday night’s meeting.

“We think this is a legacy project and will be a transformative project for the neighborhood,” said Burt Coffin, vice president at ESG Architects.

---

kristen.painter@startribune.com

612.673.4767

KristenPainter