

Kraus-Anderson apartment project is turning point for Elliot Park in downtown Minneapolis

Luxury apartments among major projects coming to the Minneapolis neighborhood.

By Jim Buchta (<http://www.startribune.com/jim-buchta/10644536/>) Star Tribune |

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Elliot Park is no longer a flyover zone for Twin Cities apartment developers.

Construction started this week on a 17-story apartment building by Kraus-Anderson in a slice of downtown Minneapolis long dominated by asphalt parking lots and low-income rental apartments.

“Those parking lots are disappearing very quickly and that’s a good thing,” said Lynn Regnier, executive director of Elliot Park Neighborhood Inc. “This community has been planning for years for this new development and revitalization.”

At least a half-dozen major projects are in the pipeline for the neighborhood, including three upscale apartment buildings. A luxury condo tower was just completed.

Regnier and others give partial credit for what’s happening in Elliot to more than \$1.6 billion dollars in development, including the new U.S. Bank Stadium, that’s happened in the adjacent Downtown East neighborhood. The combined neighborhoods have been dubbed East Town, reflecting their location along the east edge of downtown.

Elliot Park, in the southeast corner of downtown where Interstate-94 and I-35W meet, was isolated when the freeways were built. That isolation drove businesses away and left residents with few services.

For decades, most residents in the neighborhood were low-income renters. Aeon, a nonprofit organization, was its biggest rental property owner and is credited with helping stabilize the community.

Redevelopment has happened sporadically. A smattering of historic row house buildings were restored and sold as condos. In 2004, the Grant Park condo tower was built. And a couple of years later, a Chicago developer built Skyscape, a glass condo tower.

With the new stadium and East Town, it was inevitable developers would migrate to Elliot Park. News of a \$225 million expansion of the Hennepin County Medical Center, situated on the north edge of Elliot Park, has also bolstered confidence in the area.

Developer Jim Stanton was the first to jump back into that market with Portland Tower, a nearly 120-unit condo tower that’s now about half sold.

The Kraus-Anderson project promises to be even more transformative. Called HQ, its apartment tower is just one element of a full-block redevelopment project, replacing the construction firm’s 40-year old,



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A rendering shows a 17-story apartment building called HQ that has been started along Portland Avenue. About \$1.6 billion worth of...

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two-story office building and surface parking.

The project includes Kraus-Anderson's new office, which will be five stories. There will also be a hotel, a restaurant and a building with a Finnegan's brewery on the ground floor, an event center on the second level and FINNovation Lab, an incubator for nonprofit organizations, on the third level. The project will have underground parking, and a landscaped courtyard with an outdoor seating area for the brewery.

Michael Hille, KA's senior vice president of development, said the headquarters building is well underway and has already been topped off. The company hopes to start construction on the other components in the spring.

HQ was designed by Elness Swenson Graham Architects Inc. of Minneapolis. It'll have a brick masonry base on the first nine levels that will relate to the brick and stone buildings elsewhere in the area. Levels 10 through 17 are clad in a contemporary, high-quality aluminum composite metal panel and the upper floors flare out at an angle. There will also be street-level walkout units provide front porches with eyes on the street along Portland Avenue with metal clad bays.

"There are various materials to break up the facade and to manipulate the scale of the building as well as to create some aesthetic harmony with the other buildings on the block," Hille said. "Although each building has its own identity, we wanted to create a cohesive neighborhood within a neighborhood."

The main lobby will be a transparent two-story space with a bar and seating areas, enabling residents to meet visitors or their neighbors for informal get-togethers or planned social events. There will also be a second-floor seating section with a TV area and meeting space that overlooks the first-floor lobby-lounge.

Hille said the apartments are expected to attract many of the young professionals who work in the East Town neighborhoods, which include more than 6,000 hospital employees.

Although there are a number of upscale residential buildings coming to market, Hille said because the company was able to plan the redevelopment of the whole block, they did so in a way to create the kind of energy that would attract young professionals.

"Unlike the other developments, we were able to control the development on either side of the residential project creating synergy with complimentary uses and thoughtful common areas," he said. "KA wanted to bring the feel and vibe of the residence across the entire development."

Regnier said HQ and other market-rate apartment projects planned for the neighborhood will help fill a critical gap in its housing stock, and more retail is likely to follow.

"We're starting to see opportunities for our businesses to return to our neighborhood," Regnier said. "I used to say that you can't get your haircut or buy an ice cream cone, but this year a salon opened and a local coffee shop started carrying Sebastian Joe's ice cream, so I can't say that anymore."

First Covenant Church plans an affordable housing project with 154 units