

Loring Park landmark's new life

● An iconic office building near Loring Park is being redeveloped into apartments by the original builder, 88 years later.

By JIM BUCHTA

A 1920s-era limestone building that was once home to the Northwestern National Life Insurance Co. in Minneapolis is in the midst of a \$20 million conversion that will create 75 luxury apartments overlooking Loring Park and the downtown skyline.

It's one of a handful of office buildings in the area to undergo such a renovation. And few have come full circle quite like this one.

The iconic structure at 430 Oak Grove St. is being revived by the same company that built it nearly 88 years ago. Kraus-Anderson, then known as the J.L. Robinson Co., built the four-story, 90,000-square-foot building in 1924. By 1961, Northwestern National Life had moved out, and the once-open floor plan was carved into individual offices.

"It isn't often we get to work on a project that predates my grandfather," said Michael Korsh, director of development for Kraus-Anderson Realty Co. His grandfather was Lloyd Englesma, who joined Kraus-Anderson in 1932 and led the company for more than 60 years until he died in 1997.

Korsh said he acquired the building, known for its stately Beaux Arts facade on a heavily traveled corner, late last year for about \$3 million. The project recently received a \$500,000 grant from the Metropolitan Council, Hennepin County and other sources for asbestos abatement and demolition of the former offices. The building is also expected to receive national historic designation in the coming weeks that will entitle it to federal historic tax credits, which are helping to spark the renovation of hundreds of rental units across the metro area. That includes 255 units

of low-income housing for artists in the former Pillsbury A Mill building across the Mississippi River from downtown Minneapolis.

The project has received city approvals and has a financing package in place. Demolition is complete, and construction is expected to start next week and to be completed by December.

Doing a historic renovation isn't cheap, which is why Korsh is seeking federal tax credits. The apartments will rent for about \$2 a square foot, a premium for existing buildings and the going rate for new construction. He's confident the cost won't deter renters.

"At the end of the day we'll provide a high-quality product for that rental rate," he said.

The company is working with ESG (Elness Swenson Graham) Architects, which faces something of a challenge because the building has five sides and a glass atrium that at one point was abandoned. ESG's project designer, Mike Engel, said the goal is to respect the original limestone facade, but to update to appeal to today's renters. That includes taking advantage of the 15-foot ceilings by creating two units with mezzanine levels. And because of the building's shape, nearly half of the floor plans will be totally unique. A two-level parking garage will be created from the existing basement level and surface lot.

"It was a fabulous office building in the 1920s, and it will be a very sought-after apartment building after the current rehab project is done," said Charlene Roise, president of Hess Roise, the firm that was hired to help attain historic designation.

She called the building "far more unique than anything new being built these days."

Today, being unique is particularly important because there's no shortage of options for renters. Mary Bujold, president of Maxfield Research Group, said that there are nearly 3,500 new apartments proposed in downtown Minneapolis alone. Most are in new buildings, but



Photo: **Bruce Bisping**, Star Tribune
This office building in Minneapolis, built in 1924, is soon to be luxury apartments. It's slated to receive national historic designation.

a large share of them are in former warehouse buildings. While there are plenty of downtown office buildings available for residential conversion, few of them have the kind of location or configuration that makes them a good target for residential living.

One of the most notable to date is the former Soo Line building in the heart of downtown's central business district. The high-rise, built for the headquarters of the Soo Line Railroad, was acquired by Village Green Properties of Farmington Hills, Mich. and is well on its way to becoming several hundred apartments. For an office building, it's unique because of its narrow, U-shaped footprint, which makes it suitable for residential use because all of the apartments will get windows.

Village Green recently presented plans to the Minneapolis Planning Commission that call for a dramatic rooftop gathering space with a fire pit, zen garden and swimming pool. The 430 Oak Grove building will also have a rooftop terrace.

For developers willing to take a creative approach, Bujold said one-of-a-kind buildings like 430 Oak Grove are likely to garner lots of attention in an extremely competitive rental market.

"That building is an icon in the neighborhood," said Bujold, "Everyone knows that building."

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