

Developer breaks ground on \$54M apartment complex on Green Line

On Minneapolis-St. Paul border, apartment project aims at light-rail commuters

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

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With a saltwater swimming pool, a workshop for bicyclists and a cyber cafe, an Indianapolis-based developer hopes to create a one-of-a-kind apartment building on the border of Minneapolis and St. Paul.

Flaherty & Collins Properties will break ground Tuesday on 2700 University, a \$54 million mixed-use apartment building in an up-and-coming area at the corner of University and Emerald avenues along the Green Line.

“Our location speaks for itself,” said Ryan Cronk, the vice president of development for Flaherty & Collins, which also developed the Residence at the Cor, a 230-unit apartment building near a Northstar commuter rail stop in Ramsey.

“We’re not in the North Loop and we’re not in Uptown, but I think we can compete with those locations by offering a similar product at a lower price.”

The six-story building is beside the Westgate light-rail station and will have 248 apartments, 3,000 square feet of retail space and two levels of underground parking.

Wellington Management of St. Paul, which developed hundreds of apartments and condos in the area, planned to build a \$24 million office building on the vacant, nearly two-acre site in 2008. It changed course after the economic downturn, and the property remained empty until now. The sale to Flaherty & Collins will close this week, Cronk said.

Though the building is being positioned as an upscale option for professionals, grad students and others who want car-free access to the University of Minnesota and to the two downtowns, about 50 of the units will be reserved for people who earn 50 percent or less of the area median income. The rest of the units will rent for market prices, which are estimated to be \$1,400 to \$1,500 on average. Preleasing won’t begin until a few months before completion during the fall of 2016.

With thousands of market-rate apartments in the pipeline in both cities, a growing number of developers are offering unusual amenities and a broader array of price options.

The developer of 2700 University received a multimillion financing package that included tax increment financing and tax-exempt bonds.

In a statement, Andriana Abariotes, executive director of the Twin Cities Local Initiatives Support Corporation (LISC) program, said that such mixed-income, mixed-use, transit-oriented development projects present significant financing challenges.

“The 2700 University partnership has demonstrated a new, replicable approach that leverages public investment and traditional multifamily financing,” she said.

The project also represents a geographic shift for developers, who have largely been focused on top-shelf sites in the central business district and in the Uptown, North Loop and University of Minnesota neighborhoods in Minneapolis.

Along this stretch of University Avenue, there are hundreds of apartments in the pipeline that will offer renters a less expensive alternative to those in other parts of the city. “It’s a natural outgrowth of what’s been happening with [transit-oriented development] in the Twin Cities,” said Mary Bujold, president of Maxfield Research. “It’s an area that can capture its share of the market.”

The project’s position along the nearly \$1 billion Green Line also helped inform its design. Rather than situate its entrance at one of the prominent corners, Tod Elkins, principal at UrbanWorks Architecture, said the main doors are positioned toward the middle of the building so that residents will be able to easily cross University Avenue to the rail station.



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A courtyard on the side of the building opposite the train tracks will offer a bit of respite from University Avenue, and the units will have unusually large windows.

Inside, smart thermostats can be controlled from outside the apartments and every light bulb in the building will be LED. The developer is seeking LEED certification. "This is the architecture of well-being," Elkins said.

On top of the building there will be a large sign that announces passage into St. Paul.

"It really is a gateway building into the city," Elkins said. "We wanted to reinforce that idea."