



Buildings including the former location of a mattress shop will be torn down at 2212, 2316 and 2320 Jefferson St. NE in Minneapolis to make room for the planned Hook & Ladder apartments. (Staff photo: Bill Klotz)

Green apartments planned in NE Minneapolis

By: Matt M. Johnson February 9, 2018 3:11 pm 0

The Landon Group and a California developer want to build a “green” workforce apartment complex in a part of northeast Minneapolis that is getting increasing interest from developers.

The Minneapolis City Council on Friday approved the Hook & Ladder project and rezoning for a 2.6-acre site at 2212, 2316 and 2320 Jefferson St. NE. St. Paul-based Landon and Irvine, California-based Newport Properties plan a two-

building, 118-unit complex that will rent to households earning 60 percent of the area median income or below.

Hook & Ladder is also a demonstration project, said Becky Landon, CEO of the Landon Group. A three-story, wood-frame building will be built to current Green Communities standards, while a second, five-story wood-frame building will be built to energy-efficient "passive house" standards. Landon claims the five-story building will be the first such passive apartment project in Minnesota.

"This is to prove to lenders, investors and public funders the energy consumption reduction between the two buildings," Landon said Friday in an interview.

The passive house standards call for highly insulated buildings that consume less energy but come with good ventilation to improve air quality, Landon said. Hook & Ladder's insulation will be extra thick to cut heating and cooling costs, but the building's ventilation system will pump in double or triple the amount of fresh air of a conventional apartment complex.

The Hook & Ladder project has been more than a year in planning. Landon and Newport said last February that they would build a \$60 million, 240-unit affordable and market-rate apartment complex along the future Southwest Light Rail Transit line in Minnetonka. That project has not yet received final approval.

The project cost for Hook & Ladder will be about \$30 million, Landon said. Construction will start in May and will take about 14 months.

The areas around Lowry Avenue and in the Holland neighborhood where Hook & Ladder will be built are attracting significant interest from apartment developers, said Gina Dingman, president of NAI Everest in Minneapolis.

The vacancy rate in those areas is around 3 percent, she said. A number of smaller apartment projects are under construction, she said, and developers are locking up property.

"There's also a lot of sites that developers control or are trying to control," she said, noting an out-of-town client of hers is coming next week to look at the area for a possible project.

Landon purchased the three parcels for Hook & Ladder on Jan. 12 for \$985,000, according to a certificate of real estate value. Hennepin County values the property at \$771,400 for tax purposes.



The Hook & Ladder apartments planned for 2212, 2316 and 2320 Jefferson St. NE in Minneapolis will have one conventional apartment building and another built to "passive house" energy standards. (Submitted illustration: LHB Architects)

The seller shares an address with northeast Minneapolis lumber yard Siwek Lumber. The property is currently used as a contractor's yard and has a retail mattress shop on it. Until being rezoned for apartments, the property was designated for industrial use, according to city documents.

The property is bounded by Washington Street Northeast, 24th Avenue Northeast, Jefferson Street Northeast and railroad tracks owned by BNSF Railway Co. The site is in the southeast quadrant of University Avenue Northeast and Lowry Avenue Northeast, and is surrounded by single-family homes.

The Metropolitan Council and Hennepin County have awarded Landon and Newport about \$600,000 in cleanup grants for the property, which was once used for bulk fuel and coal storage. Contamination in the top 3 to 5 feet of soil will be removed, Landon said. She said contaminants include coal ash and metals.

The developers will also demolish three buildings on the property.

Hook & Ladder has received support from the Holland Neighborhood Improvement Association, Landon said. The association has agreed to lend the development joint venture \$400,000 for the project. Association board members did not immediately respond Friday to requests to comment about Hook & Ladder.

Financing for the project will include \$18 million in tax-exempt bonds to be sold by the city, a \$1.3 million grant from the Metropolitan Council, and \$2.5 million from the city's Affordable Housing Trust Fund Program, Landon said.

Rents will be \$1,000 per month for one-bedroom units, \$1,200 for two-bedroom units and \$1,387 for three-bedroom units. The project is aimed at working people, particularly artists, Landon said. Hook & Ladder will also appeal to families because it will have 22 three-bedroom apartments.

"They're in such short supply," she said.

Hook & Ladder will offer 59 underground parking spots, 60 parking stalls that are partly covered at grade, and a playground and "activated green space" between its two buildings, Landon said. There will also be a publicly accessible pedestrian and bike trail on city right of way next to the project.

The area around the proposed redevelopment site has seen new construction in recent years, largely near Central Avenue Northeast. The 30-unit Audubon Crossing apartments opened at 951 Lowry Ave. NE in 2010. One block south, Minneapolis-based Sherman Associates built the 66-unit, mixed use Central Avenue Lofts at 920 24th Ave. NE in 2008.

Frerichs Construction of Vadnais Heights is the general contractor for Hook & Ladder. The project is being designed by LHB Architects.