

FINANCE & COMMERCE



"The next generation of entrepreneurs want to occupy interesting buildings," says developer Peter Remes of First & First LLC, which is rehabbing the seven-building complex at 550 Vandalia St. in St. Paul's Midway area. Neon artwork lights up some of the first-floor hallways of Vandalia Tower. (Staff photo: Bill Klotz)

Is Midway the next North Loop?

By: Emily Kaiser August 24, 2015 3:31 pm 0

When Twin Cities developer Peter Remes of First & First LLC decided to tackle a rehab of the former King Koil mattress factory in St. Paul's Midway area, he didn't quite realize what he was getting himself into.

"The whole place was just kind of falling down," he said of his decision in 2012. "It was really a mess. You go in there and you go, 'Oh my God, this is going to be really difficult.' Then you get into it and you don't even realize how it could be so painful."

Even so, the nearly \$10 million rehab of the Vandalia Tower complex, which spans 5.5 acres and 206,000 square feet at 550 Vandalia St., is expected to be complete in spring 2016.

Remes said he's all about getting into developing areas early and taking risks. He's betting the area could be turning into the next North Loop or Northeast across the river, places where he has been active. Tenants are already moving into the seven-building complex, including Independent Filmmaker Project Minnesota, TicketKing, artists and marketing agencies. Lake Monster Brewing is planning to open there in October.

"The balm is seeing the progress and seeing the excitement of the people coming in, signing leases and wanting to occupy here," Remes said. "I really believe it's going to be an amazing project when it's finished."

When talking about a business owner recently deciding to expand in Minneapolis' North Loop, he said that move is too obvious and years behind development.

"I don't like obvious," Remes said. "I want weird. Of course you'd go to North Loop; who wouldn't go there?" The Vandalia Tower project, part of the city's Creative Enterprise Zone, is meant to be an ecosystem of creative individuals and companies, particularly younger entrepreneurs who see the value in an unusual space and location. The complex is about a half-mile from the Green Line's Raymond Avenue light rail station and just off the Cretin/Vandalia exit on Interstate 94.

"The next generation of entrepreneurs want to occupy interesting buildings," Remes said. "I don't think they are super turned on by like, 'Hey, let's go lease space in the IDS or Wells Fargo Tower. We've been a little bit ahead of that curve in trying to identify those properties and repurpose them and really reinvent them into dynamic

atmospheres where they are mixed use, where you have a brewery next to office space.”

First & First’s Minneapolis projects include The Broadway at 945 Broadway St. NE, Icehouse Plaza at 2528 Nicollet Ave., and the Van Buren Building at 1400 Van Buren St. NE.

Catherine Reid Day, Creative Enterprise Zone Action Committee chairwoman, said the Midway area has long been known as a place for artists and entrepreneurs to settle. The variety of warehouse spaces, reasonable rents and the central location has always been the area’s selling point, but the light rail line has added a new draw to the neighborhood.

The Creative Enterprise Zone borders Interstate 94 to the south, Prior Avenue to the east, the railroad tracks by Energy Park Drive to the north and Minneapolis to the west.

“Five years ago as we were seeing economic forces change, there was concern for creatives in the community and an opportunity with area demographics,” Day said. “Our goal is to preserve the area as mixed use.”

Now large manufacturing mainstays like paper and packing company RockTenn will share the neighborhood with large artistic ventures like Vandalia Tower and Can Can Wonderland, a group of designers who are planning an 18-hole mini-golf installation and entertainment destination in the vacant beer-canning factory at 755 Prior Ave.

“We historically had creatives in the neighborhood who don’t need street traffic to do work,” Day said. “We have a new social environment today. All of the increased transit options are making a huge difference, a positive difference.”

Metropolitan Council member Jon Commers represents the area and said he’s excited to see the neighborhood continue to diversify land use that will hopefully attract more residential development and hospitality businesses to the Green Line’s corridor.

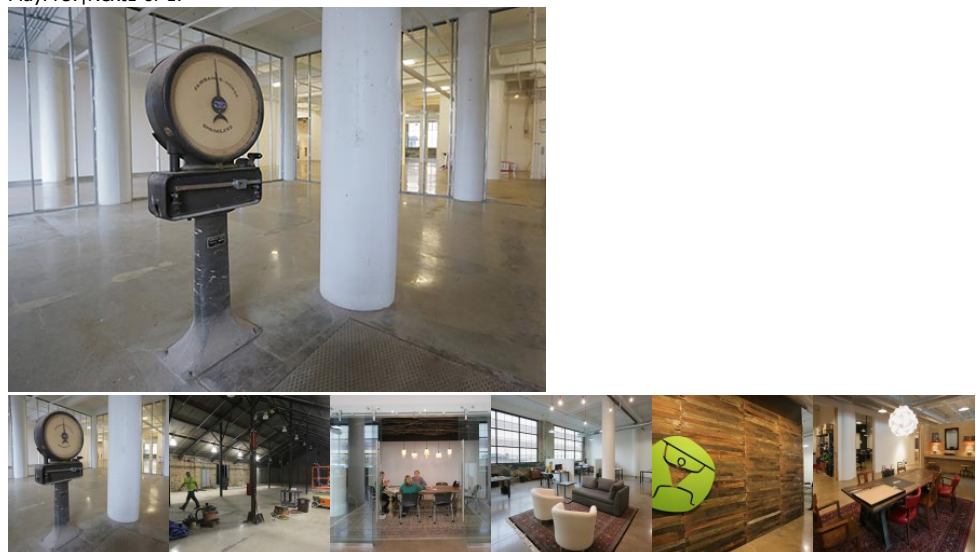
Vandalia Tower received a \$650,000 Livable Communities grant from the Met Council in 2014 to link nearby transit stops, bike paths and pedestrian walkways. The complex would border future bike infrastructure including the proposed St. Paul greenway along the Canadian Pacific rail line and a bike lane on Wabash Avenue.

“They’re adding a mix of uses that will mean traffic in and around that space across the entire day and week,” Commers said. “It’s an important part of a larger trend to define the community.”

The grant is funding sidewalks, landscaping and storm water surrounding Vandalia Tower, including a public plaza space around the complex’s iconic water tower. Construction on the plaza, parking lot and public space is still underway and is expected to be complete by October for the Lake Monster opening.

Below is a gallery of additional images by Staff Photographer Bill Klotz:

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