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bidder for project
on Highway 169**

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FINANCE & COMMERCE

PERIODICALS POSTAGE | \$1.50

VOL. 130, NO. 241

FINANCE-COMMERCE.COM

Thursday | December 7, 2017



SUBMITTED IMAGE: THE ACKERBERG GROUP

New York City-based co-working giant WeWork has signed on to be the first major tenant at the MoZaic East office and retail development at 2900 Fremont Ave. S. in Minneapolis. Work on MoZaic East began in early August and is expected to conclude in late 2018.

WeWork heads to MoZaic East

Co-working company is first tenant for Uptown building

BY CLARE KENNEDY
Staff Writer

New York City-based co-working giant WeWork is going Uptown.

The company has signed a lease with The Ackerberg Group of Minneapolis for a 46,000-square-foot space at the MoZaic East building under construction at 2900 Fremont Ave. S., according to a news release sent Wednesday. WeWork's lease accounts for about 25 percent of the leaseable office space at MoZaic East, where

Inside: WeWork takes on London's property establishment. **Page 5**

construction work began in early August.

It will be a larger twin to an existing Ackerberg development, MoZaic West, a 10-story, 78,000-square-foot building finished in 2012 at 1350 Lagoon Ave.

Once finished in late 2018, MoZaic East will stand eight stories high and contain 198,000 square feet. The building will have a retail component as well, though it

is unclear how much space will be allotted to that.

Ackerberg executives could not be reached for comment Wednesday. WeWork spokesperson Leor Reef declined to provide any additional detail.

Ackerberg is building MoZaic East on spec, as it did with MoZaic West.

"To have an international, cutting-edge operator such as WeWork is a

WEWORK TO PAGE 20

Apartment project next to Thrivent advances

BY CLARE KENNEDY
Staff Writer

The Minneapolis Planning Commission has greenlighted a new version of a proposal to redevelop a surface parking lot just south of the Thrivent Financial building in downtown Minneapolis.

Thrivent is partnering with a company called 625 Developers on the project, which shares addresses with Interstate Parking in Minneapolis and Wisconsin, according to records on file with the Minnesota Secretary of State's Office. Interstate Parking is run by principal Doug Hoskin, who did not respond to requests to comment on the proposal.

The latest plan calls for an L-shaped, eight-story apartment building that will wrap around a 773-stall, multistory parking deck, which will be sandwiched between it and the 17-story Thrivent building at 625 Fourth Ave. S.

"We've made substantial improvements to the plan," Kirsten Spreck, vice president of real estate development with Thrivent, told the Planning

107
UNITS
in planned
apartment
building

THRIVENT TO PAGE 20

MAC taking bids for \$14.5M food court upgrade

BY BRIAN JOHNSON
Staff Writer

With a slew of new restaurants coming to the Minneapolis-St. Paul International Airport, the Metropolitan Airports Commission is setting the table for a major upgrade of the airport's main hangout for dining.

MAC officials are seeking construction bids through Dec. 19 for the Main Mall Food Court expansion and renovation at busy Terminal 1, a \$14.5 million upgrade that will soon join a crowded

field of other airport building projects.

Though much of the work is fairly straightforward, crews will need to minimize impacts to airport operations while delivering work that includes structural modifications, new mechanical equipment and other fixes, said Alan Howell, senior airport architect for the MAC.

"It's a complex project but very constructible and with a good timeline," Howell said.



SUBMITTED RENDERING: ALLIANCE

The Metropolitan Airports Commission hopes to award construction contracts in January for this \$14.5 million expansion and renovation of the food court at Terminal 1 of the Minneapolis-St. Paul International Airport.

AIRPORT TO PAGE 20

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Thrivent

Continued from page 1

Commission on Monday. She added that this is the first approval needed to kick off a series of developments around the Thrivent building.

It is a taller, denser and more visually compelling plan than the one proposed in July. The Downtown Minneapolis Neighborhood Association rescinded its support of the project over concerns about its low height and relative lack of density, according to a letter on Sept. 22, 2017 from the association's coordinator, Christie Rock Hantge.

The Elliot Park Neighborhood Association approved the plan, though it voiced similar complaints in another letter about the project, and added that it was not fond of the project's stark appearance.

These issues appear to have been addressed. The commission voted unanimously to approve the proposal during a meeting Monday night. There is a 10-day window for appeal, said city spokesperson Sarah McKenzie. If no appeal is filed, the approval will be final and no further action will be necessary on the city's part.

The apartment building will include 107 units in all, 30 more than initially pro-



SUBMITTED IMAGE: CITY OF MINNEAPOLIS

Thrivent Financial and 625 Developers are moving forward with an eight-story, 107-unit apartment building that will wrap around a 773-stall, multistory parking deck. The parking structure will be sandwiched between the apartments and the 17-story Thrivent building at 625 Fourth Ave. S.

posed, according to Planning Commission documents. The apartments will include a mix of 32 studios, 61 alcove units and one-bedrooms, and 14 two-bedroom units. The units will range in size from 450 to 2,200-square-feet. Twelve will have walk-up entrances fronting on public sidewalks.

It is unclear which segment of the rental market the building will cater to as Hoskin was not available and Thrivent representatives declined to comment further on the matter.

The eighth floor of the apartment

building will offer a number of resident amenities, including a lounge, a fitness center and an outdoor terrace. The building will also have a 2,400-square-foot pet exercise area on the roof and secure storage for 136 bikes.

The development will also boast 1,608-square-feet of retail space on the skyway level, a new skyway corridor spanning Fifth Avenue, and 10 car-charging stations in the parking ramp.

The apartment and parking development is just one of many changes in the

works around the Thrivent headquarters, which was constructed in 1981.

In August, Thrivent announced it would sell the building and construct a new headquarters nearby, on a block it owns east of its current headquarters, a vacant city block bounded by Portland Avenue, Sixth Street South, Seventh Street South and Fifth Avenue South. The site is currently occupied by a 409-space parking lot.

Spreck told the Planning Commission that the new Thrivent building would likely be about 12 stories high and occupy about half of the site's area. She added that Thrivent is in talks with three different parties interested in developing the balance of the block.

Hennepin County is buying Thrivent's old building for \$55 million, the county's Director of Facilities Services Mike Sable said Wednesday. The transaction is still pending, but should close in the first quarter of 2018. If all goes according to plan, the county will take possession of the building in the first quarter of 2020.

Hennepin County has not yet decided which workers will be housed there once the building is in hand, Sable said, though it would likely be dedicated to back-office functions like finance and accounting.

WeWork

Continued from page 1

great endorsement of the Uptown area and our MoZaic development," Stu Ackerberg, CEO of The Ackerberg Group, said in the release.

WeWork is the first tenant to sign on at the building this time around. MoZaic East was put on hold in 2014 after Minneapolis software company Code 42 backed out of a lease agreement that would have made it the sole office tenant.

In May, executives at Ackerberg told Finance & Commerce that the company decided to restart the MoZaic

46
THOUSAND
Square feet of
MoZaic East
space leased
by WeWork

East project thanks to strong occupancy rates at MoZaic West and other office buildings Ackerberg owns in Uptown.

According to the most recent numbers with CoStar,

MoZaic West is 96.8 percent occupied. The largest tenant is Mono LLC, an advertising agency that occupies a 20,358-square-foot space on the building's 10th floor.

The Uptown building will be WeWork's second location in the Twin Cities. In October, WeWork opened its first

space in Minnesota, a 53,000-square-foot spread on the 38th, 39th and 40th floors of the Capella Tower at 225 S. Sixth St. in downtown Minneapolis. The company now has more than 170 locations in all, with a presence in 56 cities in 18 countries.

Emily Nicoll of the Minneapolis office of Los Angeles-based CBRE rep-

resented WeWork during negotiations. Another team from CBRE represented Ackerberg: Brokers on that side of the deal included Mark McCary, Larissa Champeau, Brent Karkula and Joe Conzemius.

The general contractor for MoZaic East is Minnetonka-based Opus Group.

Airport

Continued from page 1

Construction contracts will be awarded in January, and some work will begin in March, Howell said. The project will wrap up in 2019.

The project comes at a busy time for airport construction.

PCL Construction, which has an office in Burnsville, is building a new 5,000-space, \$240 million parking ramp between the existing Blue and Red ramps, the airport post office, and roadways leading to and from the terminal. It's the largest construction contract awarded in the MAC's history.

Other major projects under construction include a new 300-room, 12-story airport hotel, and a five-year, \$200 million upgrade of Terminal 1's ticket lobby and baggage claim levels. The food court is separate from the larger Terminal 1 project.

In September, the MAC selected 30 new "food concepts" for Terminal 1. New arrivals range from a steak and seafood restaurant and a "fresh-pressed" juice bar to a full-service Mexican restaurant and a local bakery and café.

Brian Ryks, CEO of the MAC, said in a statement last September that the goal was to provide "a unique mix of locally and nationally branded restaurants with a wide variety of menu items and price points to satisfy everyone's taste and budget."

The food court project will accommodate new and existing eateries.

Howell said the project includes 7,971 square feet of new space and 22,034 square feet of remodeling. Among other things, the project will increase seating by about 30 percent in the busy food court, he said.

That's important because "our food court is congested on a daily basis," Howell said. "We see a lot of folks at the noon hour with no place to sit. Usually they will walk away and go elsewhere."

Designed by Minneapolis-based Alliance, the project includes renovation and expansion of the existing Main Mall Food Court onto the existing oversized baggage handling roof and into a new two-story space over the existing loading dock, according to the MAC.

Crews will renovate the existing mall seating area, mezzanine break room and corridor. The project includes new air-handling units for improved indoor air quality, new flooring, and other improvements, Howell said.

Howell said there's been a lot of interest in the project among experienced airport contractors. At least five general contractors who attended a recent pre-bid meeting are currently working on the airport campus, he said.

The project team already includes Minneapolis-based Kraus-Anderson (construction manager) and Minneapolis-based Michaud Cooley Erickson (mechanical and electrical contractor).



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