



Best in Real Estate

Winner: New Residential Condos — Urban, Large (100+ units)
By Mark Reilly

Source: Minneapolis-St. Paul Business Journal
Date: April 2005

THE BUSINESS JOURNAL

April 29, 2005

BEST IN REAL ESTATE 2004

Winner

NEW RESIDENTIAL CONDOS — URBAN, LARGE (100+ UNITS)

THE CARLYLE

BY MARK REILLY
STAFF WRITER

Three years ago, the development team of Opus Northwest and Apex Asset Management built the first downtown Minneapolis condo tower in decades, staked a bold claim in an overlooked neighborhood, enjoyed a blizzard of early sides and took home the top prize in the Best in Real Estate 2002 awards.

For their next project their goals were modest: Do it again, only better. And taller. The result will be The Carlyle, a \$134 million, for-sale condominium development that will stand near the Minneapolis river-front and bring an amenity-rich tower into one of the hottest areas of residential development in the city.

The 39-story building won't be open for residents until the second half of 2006, but early feedback is already strong. More than 200 of the 255 units are under contract. The beginning of condo sales was marked by an all-night line of customers—the sort usually reserved for big-name concerts and hot-selling video games.

Judges recruited by The Business Journal for the Best in Real Estate project seemed similarly taken.

"It's just darn cool," said Kim Carlson, founder of Minneapolis-based Cities Management Inc.

Tom Dillon, project manager for Apex, said The Carlyle is in many ways an extension of the success Apex and Opus enjoyed with their last project—the \$100 million, 360-unit Grant Park. That tower, now sold out and nearly complete, sits across downtown in Minneapolis' Elliot Park neighborhood.

"We had a great experience working on it," Dillon said. "And once we made our market with Grant Park, we had this highly talented team of architects, designers, builders and salespeople and a great relationship with the city."

So, they decided to have another go. The developers weren't interested in building a clone of Grant Park, though they wanted something big, with 250-plus units. And as things turned out, the site they chose steered the overall project in some distinctly different directions than the Elliot Park project.

The location — just across from the Minneapolis Central Post Office and the entrance to the Third Avenue bridge — was occupied by a vacant building that once housed an office of the federal Housing and Urban Development (HUD) agency.

"We weren't even looking on the river at the time, but that building's availability raised some interesting possibilities," Dillon said. An adjacent parking lot was not for sale, but its ownership included a common partner with the HUD building, and Apex and Opus were able to acquire both, "creating a big enough site to do something interesting."



The resulting land is about one acre in size, compared to three acres at Grant Park, creating some limitations. The Carlyle couldn't include the townhome component of its crosstown cousin, for example.

"One acre with adjacent parking doesn't give you a lot to work with," Dillon said. But it created other possibilities.

"From the start, we wanted to go tall," said David Menke, vice president of real estate development at Opus Northwest. "The site has unobstructed views in almost all directions: the river, upriver, downriver and downtown."

At 39 stories, the building is taller than anything around it.

The notion of a new high-rise raised some concerns from neighborhood groups, especially from residents across the river who feared the development would block off views of the downtown skyline.

But the resulting design — a fairly slender tower with just eight units per floor — defuses those worries, Carlson said.

"It's a narrow building, and it's architecturally beautiful," she said, contrasting it to the long, wall-like Riverwest apartment building that sits a block downriver. "I think this will even be architecturally significant years from now."

Dillon said Apex and Opus were careful to listen to community concerns, though he added, "Minneapolis has a dynamic skyline, and dynamic skylines change. We think this is a great addition."

Developers also wanted to carry their strong design inside The Carlyle, adding a level of



Value: \$134.5 million
Size: 406,115 square feet
Units: 255
Seller's broker: Equity Marketing Services of Minnesota
Developers: The Carlyle Condos, Apex Asset Management Corp.
General contractor: Opus Northwest Construction Corp.
Architect: Opus Architects & Engineers Inc.
Design architect: Humphreys & Partners Architects
Landscape architect: Damon Farber Associates Inc.
Engineer: Opus Architects & Engineers Inc.
Finance provider: U.S. Bank
Other key parties: Edward R James Homes

amenities not typically present in Minneapolis buildings.

The tower will include typical high-rise features, such as attended entrances, a fitness center and activity rooms — but also some new offerings, such as an outdoor barbecue pit, spa, a rooftop pool and wine storage.

"We wanted it to be almost like a hotel, which is an evolution of what were seeing buyers looking for," Menke said.

The amenities "make the place more exciting," added Carlson, whose firm manages condo projects for homeowner associations. "It'll push the cool factor of downtown."

Would-be residents apparently agree. The beginning of sales for The Carlyle was greeted by a literal line of customers.

"We had about 30 people stay outside overnight the night before," Menke said. "By 9 am., there was a couple hundred people there."

Menke attributed the attention to a strong promotional campaign and the success of Grant Park. "With that project, we created a pretty strong brand that people look for."

Dillon agreed. "Were certainly better known than we were four years ago."

MREILLY@BIZJOURNALS.COM (612) 288-2110