


WINNER


River Parkway Place

Project survives developer switch, City Council vote

BY SCOTT D. SMITH STAFF REPORTER

River Parkway Place was the only office development to break ground in the Minneapolis central business district last year, and even this sole project almost didn't happen. The development had to survive the loss of a developer and a close City Council vote before it could go forward.

That the building did happen is a testament to the focus of primary tenant Padilla Speer Beardsley, and the tenacity of its representative, Shannon Reilly of Keewaydin Real Estate Advisors.

By all accounts, the former offices of Minneapolis-based public relations firm Padilla Speer Beardsley were unusual. The firm once operated in a Georgian mansion on Franklin Avenue in Minneapolis.

So when the firm decided to seek new space, it wanted that space to be distinctive. Their new home also needed to have free parking, be located in Minneapolis and enhance the image of the firm. Padilla wanted all of this and for a set price. The lease it eventually signed has a value of about \$10 million.

Shannon Reilly represented Padilla and went searching for a site that would meet the company's needs. Such sites were rare in the city, but the firm didn't want to move to the suburbs.

Reilly found the solution, when she learned a developer had a riverfront site primed for development. When the initial developer was not able to obtain financing, Keewaydin approached the Minneapolis Community Development Agency for an extension of the development agreement and persuaded Minneapolis-based Ryan Cos. U.S. Inc. to step into the other

developer's shoes and move forward with the project.

One major hurdle that the development faced was getting 300 surface parking spaces approved by the city of Minneapolis. Padilla required free parking for employees, and the cost of building a parking ramp would have exceeded its budget, Reilly said. City ordinances prohibit new surface parking. So for the Padilla plan to work, the firm needed a zoning variance. It barely got one, when the council voted 7 to 6 for the project in March 2001.

The building is an asset for the city because its construction kept a valuable employer in Minneapolis, it fit with the zoning and planning vision of the Mill Ruins area and was built without a dollar of public subsidy, said Steve Cramer, the former director of the MCDA. The cost of the building's land and construction was \$8 million, reported Ryan.

The building also adds to the momentum of the redevelopment of the area, which includes the new Guthrie Theater and the Mill Ruins projects. The four-story building is also small enough that its size will fit in well with the future development that happens along the river, Reilly said.

The building's pioneering location helped the company meet its desire of continuing to have a distinctive workplace, Casey said. Padilla signed a 15-year lease for the top two floors (37,419 square feet) of the building. It moved into the space during the first part of this year. The building's remaining space is being marketed.

"The most exciting aspect is being part of what's happening down here on the

■ project credits

Tenant: Padilla Speer Beardsley Inc.

Tenant brokerage: Keewaydin Real Estate Advisors

Developer: Ryan Cos. U.S. Inc.

General contractor: Ryan Cos. U.S. Inc.

Architect: Perkins & Will

Cost of project: approximately \$10 million

river," said Ann Biggar, office manager for Padilla.

Padilla is an employee-owned company and a committee of 18 employees contributed to the internal design of the building, which was handled by the Minneapolis office of Chicago-based Perkins & Will. Some of the choices that make the environment pleasant for employees include increasing sunlight by putting offices in the center of the building and creating a glassed area called the Mississippi Commons, a 2.5 story atrium that looks out over the river.

"It's ... an atrium that makes us feel like we're right on the river with a full view of downtown," said Lynn Casey, chairman and CEO of Padilla Speer Beardsley.

The commons also include a kitchen, a fireplace, and a variety of meeting spaces. The building also includes a locker room/shower facility for employees. The grounds have a walking path along the river.

"People find it a very bright and energizing place," Biggar said.

The building successfully reflects the company's past of having unique workspaces, while also meeting the company's current and future needs by giving it room to grow in a location expected to be important to the cultural life of the city, Casey said.