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The Ivy Hotel will feature modern designs.

In early April, developer Jeff Laux, left, and Starwood's Assistant Superintendent Dan Frederick spy the Minneapolis skyline from the Residence's unfinished 15th floor.

The 136-room Ivy Hotel will include the original tower and a new 20-floor building.

The Ivy's sales and selection center in the original tower showcases some of the features, appliances and flooring options future residents can choose for their new condos.

BY SAM BLACK  
STAFF WRITER

If developer Jeff Laux and his team members on the Ivy Hotel + Residence were confident early on that the project was for real, they were the only ones.

Laux, an independent developer who had never attempted a project of this scale, spent six-and-a-half-years trudging through unforeseeable hurdles to finally get his vision for a mixed-use project at the site of a long-vacant office building known as the Ivy Tower.

The flower at the end of the vine, that he and only a few others could see at first, was a \$85 million condo and luxury hotel project that should open for business in the fourth quarter of this year.

Due to its renovation and preservation of a historic structure, its well-designed combination of uses and its success in the marketplace, the Ivy Hotel + Residence is the winner of the *Business Journal's* 2006 Best in Real Estate for Redevelopment/Extensive Renovation — Large, Commercial (30,000 square feet or larger). It also was selected among all the other category winners as the Best Overall real estate project in the Twin Cities last year.

When it opens, the 136-room Ivy Hotel will become part of The Luxury Collection of hotels by Starwood Hotels & Resorts Worldwide Inc., of White Plains, N.Y. The white-glove, five-star brand is only used at a few well-known landmark properties around the world.

The Ivy, which will range in room rates from \$200 to \$2,000 a night (for the presidential suite), also includes a 7,000-square-foot restaurant, 8,000 square feet of meeting space and a 17,000-square-foot resort-quality spa and fitness facility.

The 92-unit condo tower will share some of the amenities with the hotel, including a concierge, room service and a dog-walking service. The condos all have 10-foot ceilings, five-bathrooms and valet parking.

The Ivy Tower was built in 1930 as back offices for the Second Church of Christ, Scientist. For years it was used as a Christian Science reading room. By the 1960s, the 16,000-square-foot building had been converted into office space. The previous owner twice tried unsuccessfully to have the building razed in favor of a surface parking lot. In 1991, when it was mostly vacant, the tower was placed on the list of Minnesota's Ten Most Endangered Sites by the Preservation

## Ivy Hotel + Residence

## [ STATS: ]

VALUE:	\$85 MILLION
LOCATION:	115 SECOND AVE. S., MINNEAPOLIS
SIZE:	400,000 SQUARE FEET
RESIDENTIAL UNITS:	92
AVERAGE PRICE:	\$910,000
GROUNDBREAKING:	JANUARY
EXPECTED COMPLETION:	DECEMBER 2007

## [ PLAYERS: ]

DEVELOPER: Ivy Tower Development  
GENERAL CONTRACTOR: Bar-Son Construction  
ARCHITECT: Walsh Bishop Associates Inc.  
DESIGN ARCHITECT: Nelson Design Group  
LANDSCAPE ARCHITECT: Nelson Design Group  
ENGINEER: BILDM Engineers  
LEGAL REPRESENTATIVE: Faegre & Benson  
FINANCE PROVIDER: Daugherty Funding  
TITLE COMPANY: LandAmerica Commercial  
OTHER KEY PARTIES: Brantingham Architects Ltd., Bussard Corp., Wischermann Partners Inc., Greg A. Wisniewski, Parachute Marketing, ER James, Shea Inc., Strilband Concrete and Masonry, Minneapolis Mechanical Contractors, Egan Dicks, Nordstar Fire Protection, Interced, Olympic Wall Systems, Hansen Precast, Multiple Concept Interiors, Rebold Co.

## Alliance of Minnesota.

In 2000, Bob Brantingham, owner of Minneapolis-based Brantingham Architects Ltd., had a purchase agreement on the site that was set to expire. Brantingham called Laux and Gary Benson, a local real estate owner and developer, who teamed up and spent a little less than \$400,000 to buy the property.

Laux originally planned to develop a hotel and office complex on the site, but the office market went soft in 2001 following a dot-com slowdown and the terrorist attacks in New York.

Then, based on the aging baby boomer trends, he started working on a hotel and condo combo. Laux said he and Elm Nelson, the chief designer, came up with the concept of wrapping the Ivy with new development following a trip to New York.

In early 2001, Walsh Bishop Associates Inc. in Minneapolis was picked as the lead project architect. That October, at an invitation-only event for prospective condo owners, the building sold out.

That was a watershed moment for the Ivy,

Laux said. "When I went home from work that day, I had a pretty good idea that we had stumbled onto a pretty good plan."

Then in 2005, Laux secured a deal with Starwood Hotels for the hotel, and the project really started moving forward.

"When the condo buyers first put their money down, the hotel component was described as an upscale boutique hotel," Laux said. "When they move into their condos, they'll be moving into a five-star luxury collection product by Starwood. That is way more than they expected."

The real coup to get the hotel was hiring Paul Wischermann and his company, Wischermann Partners Inc.

"Paul understands hospitality and saw the opportunity. We got a size 8 city with a size 6 hospitality scene. We should have a size 8 hospitality market," Laux said.

Laux eventually sold the city on his concept and secured \$6 million in tax increment financing to offset the remediation of the asbestos and hazardous materials from the building.

"There were a great number of people who said the Ivy Tower wasn't worth saving," Laux said. "Some said it was boring and garish. After all, it's a reinforced concrete building."

Tim Welch, a Best in Real Estate judge and an attorney at Leonard, Street and Deinard in Minneapolis, said Laux is the reason this project happened.

"Jeff has a lot of tenacity. He will never quit. If he can't do it one way, he'll do it another. That's what it took — just someone who is never going to give up."

Many other people would have simply walked away from this project, he said. But Laux had the vision, assembled a strong team and saw it through. "There were a lot of key pieces, but what pushed a lot of those key pieces together was Jeff."

Laux said what he's most proud of with this project is saving the Ivy Tower and introducing the concept of "hospitality-enhanced residential living" to Minneapolis.

"You don't get very many opportunities in life to do something first," Laux said. "There will be lots of projects that will be bigger and better and richer. You can't control that. But to save a historic building and to introduce hospitality-enhanced living to Minneapolis, those are two really, really exciting things."

