

Westin Edina Galleria Hotel and Residences

BY JOHN YOMHOF JR.
STAFF WRITER

The Galleria in Edina has long been one of the Twin Cities' strongest retail draws, attracting upscale shoppers from across the metro area. But the shopping center soon will gain an even stronger profile with a new mixed-use addition.

The Westin Edina Galleria Hotel and Residences will add a 225-room hotel, 82 condominium units and a parking ramp to the property.

The key to the \$120 million project is the way the various aspects will feed off each other's strengths, said Warren Beck, principal of Gabbert & Beck Inc., the Edina company that owns the Galleria and is developing the hotel and condo project.

"When the project was first presented to us, the real attraction was the opportunity to enhance the Galleria and expand it to a greater presence in the marketplace," he said. "It makes all kinds of sense to us and seemed like a natural fit."

Gabbert & Beck, Minnetonka-based hotel-management firm Wischermann Partners Inc., Minneapolis-based developer Ryan Cos. US Inc. and Minneapolis-based Elness Swenson Graham Architects Inc. first met in spring 2005 to discuss the project and have moved forward quickly. That isn't to say there haven't been some roadbumps along the way.

Barnes & Noble filed a lawsuit last summer claiming the project violated its lease and would hurt its sales. A judge rejected those claims in December, clearing the way for the project to proceed.

"We've had a very effective team that really took challenges in stride all along," Beck said. "We were able to fold our schedule around almost any obstacle that came up and maintain the schedule, which has been remarkable."

Construction on the parking ramp began in late May and work on the 18-story hotel and condo building started in January.

The Westin Hotel will occupy the bottom seven floors of the building, with 225 guest rooms, a restaurant, ballrooms, meeting rooms, a fitness area and a pool. That will be topped with 11 floors of condos ranging in size from 1,000 to 3,000 square feet.

The parking ramp includes two underground parking spaces for each condo unit, as well as 930 spaces for hotel guests and Galleria



first-class experience."

Ten years ago, hotel developers only sought out locations in high-traffic areas with good visibility, Wischermann said. Things have changed.

"Lifestyle retail centers and first-class hotels are seeking each other out," Wischermann said.

"The upscale hotel traveler today doesn't necessarily look only for easily accessible locations where they can pull in and out from the highway."

Travelers want things to do near the hotel, and the top leisure activity for business travelers just so happens to be shopping, he added. Plus, Westin and the Galleria both cater to similarly

upscale consumers.

The housing component also blends nicely with the Galleria, as demonstrated by early demand for the condos. The developers already have received purchase agreements for 48 of the 82 units, for which prices run from \$400,000 to \$1.8 million.

[STATS:]

VALUE:	\$120 MILLION
LOCATION:	3510 GALLERIA, EDINA
SIZE:	446,000 SQUARE FEET (HOTEL-CONDO AND UNDERGROUND PARKING); PLUS 930-SPACE PARKING RAMP
RESIDENTIAL UNITS:	82
AVERAGE PRICE:	\$861,707
GROUNDBREAKING:	MAY 30
EXPECTED COMPLETION:	OCTOBER 2008

[PLAYERS:]

HOTEL OWNER: Galleria Hotel
SELLER BROKERS: Berg & Wanning, Coldwell Banker Burnet
DEVELOPER: Warren Beck
DEVELOPMENT MANAGER: Ryan Cos. US Inc.
GENERAL CONTRACTOR: Ryan Cos. US Inc.
ARCHITECT: Elness Swenson Graham Architects Inc.
Interior design for hotel: Cole Martinez Curtis & Associates
INTERIOR DESIGN FOR CONDOS: Elness Swenson Graham Architects Inc.
LANDSCAPE ARCHITECT: Ormon Fisher Associates
STRUCTURAL ENGINEER: Erickson Reed & Associates
TRAFFIC ENGINEER: PJK Inc.
CIVIL ENGINEER: Ryan Cos. US Inc.
LEGAL REPRESENTATION: Faegre & Benson
FINANCE PROVIDER: Dougherty Funding
TITLE COMPANY: Old Republic National Title Insurance Co.
HOSPITALITY CONSULTANT AND MANAGEMENT COMPANY: Wischermann Partners Inc.
CONDO PROPERTY MANAGER: Gittelman Management Corp.
CONDO MARKETING: Parachute Design

Most of the buyers already live in southwest metro communities, such as Edina, Eden Prairie, Minnetonka and south Minneapolis, Beck said. "But probably the most common tie is that nearly all of them are Galleria shoppers."

The Westin's presence also has been a huge draw for prospective condo buyers, as residents will benefit from the hotel's house-keeping, room service, catering and valet offerings.

Best in Real Estate judge Murray Kornberg said the panel liked the way the Westin Edina Galleria Hotel and Residences creatively blended the various aspects of the project.

"What we liked most about the Westin was the sharing of services between the hotel and condominiums, so you could have this whole concierge kind of service," said Kornberg, a director at L.J. Melody & Co. in Minneapolis. "It's truly a super-integrated mixed-use."

Fellow judge John Tramm, a retail broker at Griffin Cos. in Minneapolis, said he was drawn to the project's location. "The site is well known throughout the state, so it makes it interesting with adding that kind of a component onto such a well-known retail center."