

Top Project Winners: U of M Bee and Pollinator Lab, 2700 University and T3

Three Kraus-Anderson projects were recognized for excellence with Top Projects awards presented by Finance & Commerce in July. The projects were among 33 winners selected by a jury of experts in construction and related industries for criteria including creativity in design, innovative construction techniques, sustainability and collaboration.

The winners include:

T3, Minneapolis- Built for owner/developer Hines and considered the largest modern mass timber commercial office building in the nation, T3 stands for Timber, Transit and

Technology. Designed by Michael Green Architecture and DLR Group to create a modern interpretation of historic brick and timber buildings, the six-story, 221,552 s.f. LEED Gold building features sustainably-sourced timbers, large windows and a distinctive exterior clad in corrugated and flat panel Cor-Ten steel.

2700 University, St. Paul- Built for developer Flaherty & Collins, this innovative 345,000 s.f. mixed-income apartment building provides 248 units of multifamily housing in close proximity to light rail. Amenities include courtyard, saltwater swimming

pool, "bark park," fitness room, yoga studio and bike parking. The project is designed by UrbanWorks Architecture LLC and is registered for LEED Silver certification.

University of Minnesota Bee and Pollinator Lab, St. Paul- This 10,500 s.f. lab is advancing international understanding of bees and pollinators as vital links in the food chain. Built to state B3 sustainable standards, the state-of-the-art facility features pre-engineered steel and daylighting windows, as well as research space, honey extraction rooms, an outdoor beekeeping apiary and pollinator gardens.



Left to right: Top Projects Winners T3, 2700 University, University of Minnesota Bee and Pollinator Lab

Mike Hille Named EVP, KA Realty; Matt Alexander Named SVP, KA Development



Mike Hille

"Hille's scope of real estate knowledge, his track record of successful development and his creative, collaborative approach are a tremendous asset to the entire Kraus-Anderson team, our clients, tenants and business partners."

-Dan Engelsma

Two KA executives are taking on new roles to address growing activities within and collaboration among the Kraus-Anderson family of companies.

Mike Hille has been named executive vice president at Kraus-Anderson Realty Company. Hille joined KA in 2016 as senior vice president of Kraus-Anderson Development Company. He will be responsible for the day to day activities of KA Realty, managing all property management and leasing operations as well as the company's development strategy and investment opportunities.

His leadership at KA has been integral to the success of the KA Block mixed use development now under construction in Minneapolis. Prior to joining KA, he accrued more than 25 years of senior leadership experience in real estate development including as senior regional real estate manager at Target Corporation.

"Hille's scope of real estate knowledge, his track record of successful development and his creative, collaborative approach are a tremendous asset to the entire Kraus-Anderson team, our clients, tenants and business partners," said Dan Engelsma, KA Realty president.

Stepping into Hille's previous role at KA is Matt Alexander, promoted to senior vice president at Kraus-Anderson Development Company. He joined KA Realty in 2006 as director of real estate development, and became instrumental in the establishment of Kraus-Anderson Development Company. His development expertise includes senior housing projects both for KA's own portfolio and for clients including Guardian Angels' Engel Haus in Albertville, MN, and St. Therese Church's Deeaphaven, MN, senior community.

Alexander is a key team member of the CityPlace project, the 100-acre master-planned mixed use

project developed in partnership with Miami-based Elion Partners at Interstate 94 and Radio Drive in Woodbury, MN. He and KA's partners are currently working with the City of Richfield, MN, on development of Chamberlain apartments, a \$60 million 316-unit housing project.

"Matt's depth of knowledge of the development business, his integrity and his innovative leadership are reflected in milestone projects like the CityPlace redevelopment," said Hille.



Matt Alexander



KRAUS-ANDERSON.
525 South 8th Street
Minneapolis, MN 55404

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KA SERVES VARIED HEALTHCARE CONSTRUCTION NEEDS

Kraus-Anderson is a leader in healthcare facility planning, development and construction. KA is ranked #12 nationally for healthcare construction by *Modern Healthcare* magazine. We work closely with healthcare providers to deliver a wide range of construction needs, including preconstruction and management of major hospital construction, additions and remodels, outpatient and specialty clinics and ongoing services.

Left: Regions Hospital Ambulance Entrance, St. Paul. Below, l. to r.: TRIA Orthopaedic Center, Woodbury, MN; Bistro, Lakeview Hospital, Stillwater, MN; Brookings Hospital MRI, Brookings, SD.



HealthPartners Neuroscience Center Opens

Stroke, brain and spinal injuries, Parkinson's, Alzheimer's, MS, Epilepsy and Amyotrophic Lateral Sclerosis (ALS) all take a heavy toll on those affected, diminishing life expectancy and life quality. An innovative new research and treatment facility holds a promise of opening up the countless lives touched by these and other neurological disorders.

HealthPartners Neuroscience Center opened this spring in the newly-formed medical corridor that runs between Regions Hospital and HealthPartners Specialty Clinics in St. Paul.

At five levels and 174,000 s.f., it is the largest neuroscience center in the Upper Midwest, and one of the few in the nation. The destination medical center houses clinical treatment, rehabilitation and research within one facility that is designed to be unique, welcoming and efficient. The facility features abundant natural light drawn from its undulating glass curtainwall exterior. Building features include simplified circulation and wayfinding, large consultative exam rooms and technology to aid in patient education. Both the building and its connected 600-car parking ramp feature simplified design flow to aid in wayfinding.

The design of the facility also encourages collaboration among clinical and research

departments, and the ability for future growth. Clinical trials, rehabilitation, patient diagnosis and lab and imaging work will all happen here; creating an outpatient clinical rehab/ research environment dedicated to the full spectrum of neurological conditions. The Neuroscience Center will accommodate 200 staff and is expected to see over 50,000 patients per year.

HealthPartners' investment in this facility comes at a time of dramatically increasing need for treatment of neurological disorders.

HealthPartners' investment in this facility comes at a time of dramatically increasing need for treatment of neurological disorders. Stroke and Alzheimer's are among the leading causes of death in the U.S. The number of people with dementia is expected to double in the next 20 years, and pain is one of the most common reasons people visit the doctor, according to HealthPartners' website.

KA worked closely with the client, architect BWBR and the project team to work through site constraint challenges including a tight

footprint, unique geometry, location adjacent to a major freeway and rail line, and provisions for clear entry, drop-off and wayfinding.

Sustainable attributes of the project include a storm water management system; landscaping with low maintenance native prairie grasses; walking paths, bike racks and outdoor seating areas for public use. The building incorporates durable materials, high efficiency glass with frit patterning to control solar heat gain, GREENGUARD certified finishes, high efficiency mechanical systems and LED lighting with daylight harvesting and occupancy sensors

Construction commenced in August 2015 and the client took occupancy in January 2017.

Client: HealthPartners
Architect: BWBR Architects
Project director: Camille Helou
Project manager: Abigail Heimel
Project superintendent: Brian Robinette
Project coordinator: Jennifer Brundell
Project accountant: Jodee Anderson

Chairman’s Column



Bruce Engelsma

We are very excited to be nearing completion of our new headquarters building in downtown Minneapolis. We have been working toward this goal for more than five years, and at this writing we are now in the busy final stages of planning for the consolidation of our Twin Cities real estate and construction operations. When we move in October, our construction, development, realty, mortgage operations and corporate offices will all be housed under one roof at 501 S. Eighth Street, on the block we’ve called home since the 1940s.

"When we move in October, our Construction, Development, Realty, Mortgage operations and corporate offices will all be housed under one roof at 501 S. Eighth Street, on the block we've called home since the 1940s."

While we'll be returning to our old neighborhood, a lot will be new. Complementing our new headquarters on the block will be HQ Apartments, a 17-story apartment tower on the Portland Avenue bicycle corridor; Elliot Park Hotel, an 8-story hotel facing Ninth Street; and the innovative Finnegan's House project, a combination brewery/taproom and offices for social entrepreneurs. Our KA Block will provide a great environment to live, work and play. It will also showcase the collaboration among all our KA teams, our business partners, the City of Minneapolis and the Elliot Park Neighborhood, that have brought us to this milestone. We are extremely proud of what has been accomplished, and we can hardly wait for you to see and share in it.

Our move to this dynamic, high-tech, flexible new environment couldn't come at a better time to support our progress, as we are blessed with record-level workloads. Many thanks to our team for managing this activity and keeping an eye to the future as our industry continues to change. We look forward to seeing you in our new environment, designed and constructed to serve our customers and industry partners at a higher level.

Chairman, Kraus-Anderson, Companies, Inc.

www.krausanderson.com



Sanford Joe Lueken Cancer Center set to Open in 2018

Over the course of 50 years, Joe Lueken built his grocery business into a thriving enterprise in Bemidji. Yet he built much more than a chain of successful grocery stores. The philanthropist also gave back to the Bemidji community in myriad ways—with college scholarships, donations to Bemidji State University, support of numerous other nonprofit causes; and, when it came time to sell his chain of Lueken's Village Foods stores, he opted instead to give the business to his employees, keeping the business locally owned.

Now, three years after his death, Lueken is still giving back. Ground was broken in June for the construction of Sanford Joe Lueken Cancer Center in Bemidji. Kraus-Anderson, the construction manager for the project, has worked with Sanford Health since 1997 and has performed dozens of construction projects for Lueken's.

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Designed by HGA Architects on the southeast corner of the present Sanford Bemidji Main Clinic, the new 20,500 s.f. facility will expand the hospital's cancer services, making the hospital a regional hub in screening and treating the disease.

The new clinic will include 20 infusion suites, 15 exam rooms, on-site pharmacy and lab services and a boutique with merchandise for patients. The center will house services including radiation, medical oncology and financial counseling.

The \$12 million project was made possible by a significant lead donation by the Joseph and Janice Lueken Family Foundation.

The project is scheduled for completion in 2018.

Client: Sanford Health
Architect: HGA
Project manager: Pat Weerts
Project superintendent: Terry Smith
Project coordinator: Christine Kennedy
Project accountant: Lyndsey Moe

A Palace Fit For a Prince: 430 Oak Grove

When the news arrived April 21, 2016, that Prince Rogers Nelson had died, the world began its mourning for the music superstar who made his mark in so many ways—as a gifted musician, prolific composer, best-selling recording artist, singular performer, bold tastemaker, inspired mentor and generous philanthropist. Yet perhaps nowhere was his loss as heartfelt as in and around Minneapolis, his hometown and lifetime haunts.

A year and a half later, fans continue to pay homage by retracing steps of The Purple One at some of the well-known Minnesota spots he put on the map, including Minneapolis nightclub First Avenue and his home/recording studio Paisley Park in nearby Chanhassen. Less well-known, but no less significant a landmark in Prince's life, is 430 Oak Grove, a KA property which recently was recognized for its role in launching Prince's early career.

Located on the south edge of picturesque Loring Park in Minneapolis, the stately building was first constructed by Kraus-Anderson in the 1920s, originally serving as an office for Northwestern National Life

Insurance. After the original owner moved on in the early 1960s, the building was converted to multi-tenant use, hiding much of its original luster under drywall and bland paint and carpeting. The aging building continued a slow decline until, in 2011-2012, Kraus-Anderson purchased and redeveloped it into luxury apartments while conserving its historic architecture and design elements. Despite the preservation of original features such as windows, marble, skylights and a lobby mural, perhaps its greatest historical significance is as the site of the first known musical recordings by Prince, recorded when he was just 19.

In 1977, a year before the release of his first album, Prince recorded "The Loring Park Sessions" in the studios of Owen Husney, his first manager, who was then a tenant in the building. Joining Prince on those historic sessions were his childhood friend Andre Cymone on bass and Bobby Z. on drums. Together they recorded eight instrumental songs blending funk, disco, R&B and jazz. Bobby Z would go on to join Prince's band, The Revolution.

The Loring Park Sessions, never released, grew to legendary status over the years. At this writing, Husney has digitized the material and release is pending.

On April 24, 2017, Husney and Cymone returned to 430 Oak Grove for a visit, presenting the StuartCo. staff with a plaque commemorating the significance of the building in the musician's life. The plaque is inscribed:

"In 1977 430 Oak Grove was where Owen Husney recorded The Loring Park Sessions with Prince, Andre Cymone & Bobby Z. We are honored to share this extraordinary legacy and cherish being an integral part of The Purple Family and celebrate "the power & the glory of the Minneapolis story."

The plaque has been installed on the wall near StuartCo. s office, and is nearby inscribed with the signatures of Husney and Cymone. In purple marker, of course.



Left: 430 Oak Grove in Minneapolis has been recognized for its link to the early musical history of music legend Prince. Center: Prince fans gather near Paisley Park in Chanhassen. Right: Andre Cymone and Owen Husney recorded with Prince at Husney's studios in 430 Oak Grove.



FINNEGANS Signs onto the KA Block

A beam signing party for the new FINNEGAN HOUSE brewery brought out fans of the Minneapolis-based social entrepreneurial company, which donates 100 percent of its profits to feeding the hungry. The new facility is currently under construction on the KA Block in downtown Minneapolis and will include a brewery, taproom and offices for Finnegan's and other social entrepreneurial startups. Finnegan's neighbors the new KA Headquarters, which opens in October and will provide a state-of-the-art work environment for some 300 KA employees, served by high-tech conference rooms, lunchroom, training center, fitness center, patio, underground parking and other amenities. The master planned, mixed use KA Block also include the 17-story HQ Apartments; and the 8-story Elliot Park Hotel, part of the Marriott Autograph collection. Developed and constructed by Kraus-Anderson on the block KA has occupied since the 1940's, the KA Block is expected to be completed in 2018.

Trusted Business Partners: Lindstrom Restoration and KA Insurance

Lindstrom Restoration is the company everybody hopes they never have to call.

Established in 1953 and now in its third generation of leadership, the family-owned firm is one of the Upper Midwest's leading providers of 24/7, start-to-finish restoration from damage due to fire, flood, storm damage, ice and vandalism. Whatever unfortunate damage nature or humans can unleash on a house, Lindstrom Restoration can put it right again.

Yet even after 64 years of reputation-building work, there's no such thing as resting easy in the restoration business. President Mike Lindstrom refers to his company as a start-up; one that is challenging and questioning every system and process as it seeks to secure its future in a time of rapid-fire change.

Restoration construction is distinct from traditional construction in several ways. Most of Lindstrom's business comes through referral from insurance companies, which today work with pricing and coding systems very similar to those used in the healthcare industry.

Lindstrom goes above and beyond to look after homeowners' best interests. In one instance, Lindstrom staff took it upon themselves to find an appraiser who helped a homeowner increase the settlement for their toy car collection from \$30,000 to \$100,000.

"We provide a lot of information to homeowners so they can negotiate a fairer settlement," commented Hannah Lindstrom, office manager and Mike's wife.

Accounting to accommodate the flow of insurance claims payments, Lindstrom's revenue includes deposits on deductibles from homeowners, as well as monies from insurance companies, mortgage companies and even homeowner associations. "We deal in layers of cash flow that most residential contractors just wouldn't be ready to deal with," Mike Lindstrom said.

Staffing is another consideration. While increasingly, competition comes from franchises who manage the work of others, Lindstrom retains a highly skilled staff of cleaners, carpenters and painters. Employee tenure averages 13 years, with many key employees having many more years accrued.

"Our field guys do it the right way and do it really well," said Mike Lindstrom, president.

As emergency responders, they also work in less-than-ideal environments. "It's not at all uncommon for our carpenters to be up on a steep roof, in the middle of the night, boarding something up," said Volk.

Safety and a sustainable benefits program to protect and retain valued staff are high priorities for Lindstrom.

To manage the intricate challenges, Lindstrom's management team has sought out strategic business partnerships. In 2015 the company issued RFP's, replacing nearly all its service providers.



Left to right: Mick Gingerich, senior project manager, Lindstrom Restoration; Mike Lindstrom, president, Lindstrom Restoration; Kelly Brenna, SPHR, vice president, HR and Benefit services, KA Insurance; Bryan Volk, CFO, Lindstrom Restoration; Hannah Lindstrom, vice president, Administration, Lindstrom Restoration; Matt Hislop, producer, KA Insurance.

Lindstrom provides total value and is looking for total value, which is different from the lowest bidder," said Bryan Volk, CFO. We're looking for trusted business advisors, long-term relationships. Not just, "here's the business we will bring you."

"They took a very sophisticated approach that went far beyond that of many larger companies," said Matt Hislop, producer for KA Insurance. Lindstrom's risk management priorities were to 1) find a service partner offering new ideas to drive its success; 2) lower its Experience Modification Rating to its lowest possible level; 3) reduce workers comp cost in order to move forward with well-qualified employees; and 4) create a successful safety program and a Zero Injury culture throughout the entire Lindstrom team.

"That's what we're looking for, too—a strategic business partner," stated Kelly Brenna, vice president of Benefits and HR for KA Insurance. "Those are the qualities we look for in our clients."

KA Insurance came on board 18 months ago, initially to assist in updating Lindstrom's HR handbook.

"Kelly gave us options," recalls Hannah Lindstrom. "We started using KA's HR services. Ginie Klopp (KA Insurance director, HR/Benefits) and Sue Crotteau (HR/Benefits admin assistant) understood us and give us practical advice, not just trying to sell us more."

"KA is truly a trusted business advisor," said Volk. "I've talked more to KA in the first three months than I did to our previous advisor in one and a half years."

One key service KA Insurance has provided was helping the company transition out of an unsustainable healthcare plan. KA worked alongside the client, not only researching and developing a workable HSA plan, but helping to communicate it to Lindstrom employees.

"Working with Kelly was amazing," said Hannah Lindstrom. "They helped us to communicate it to our employees honestly and transparently, and our employees accepted it."

As the relationship with KA Insurance has grown, so have the rewards. Soon after Lindstrom added KA's proprietary workers comp management product to its book of services, KA COMPTROL service manager Hope Trepanier helped

uncover a previously mishandled discrepancy in the client's EMR application data—which, once corrected, produced a \$30,000 reimbursement for the client. Similarly, turning to KA Insurance for P/C coverage resulted in a 20% cost savings.

At this writing discussions are under way to provide additional safety program consulting through KA Insurance, taking aim at that goal of reaching its lowest achievable EMR.

Lindstrom has found an innovative, inspired partner in KA Insurance. "KA gets creative with packaging policies, looking for cost savings for example by doing a general liability here, an umbrella there and combining your cost," said Volk. The client also appreciates the ready access to integrated knowledge among the array of services that KA Insurance professionals provide.

"If a workers comp questions comes up, everyone knows what to do and is in the loop," said Hannah Lindstrom.

"Somebody has our back."