

# REVITALIZATION- Reimagined

## A&L PROPERTIES HAS BEEN A FORCE IN RESTORING, DEVELOPING AND MANAGING BUSINESS PROPERTIES FOR OVER THREE DECADES

BY PATRICK LAPINSKI

**D**uring the COVID-19 pandemic, Financial Advisor Lynn Dart-Nelson of Waddell & Reed hasn't had as many face-to-face meetings with her clients as she did in pre-pandemic times. When they do make the trip to her downtown Duluth office, many come from rural areas, so easy access to her suite in the Duluth Technology Village, as well as off-street parking, are important.

In contrast, an average of 1,600 patients per month visit the St. Luke's P. S. Rudie Medical Clinic located across the street from the Tech Village in the Wieland Block building. The clinic's downtown location provides easy access for patients via car, bus or foot.

While the needs of each of these organizations are unique, they share a common bond: They are tenants of A&L Properties, the long-standing Duluth property management company dedicated to serving the needs of its clients with first-class facilities.



*"We are a small team and run a tight ship; we all wear a lot of hats."*

- PRESIDENT TIFFANY HUGHES, A&L PROPERTIES

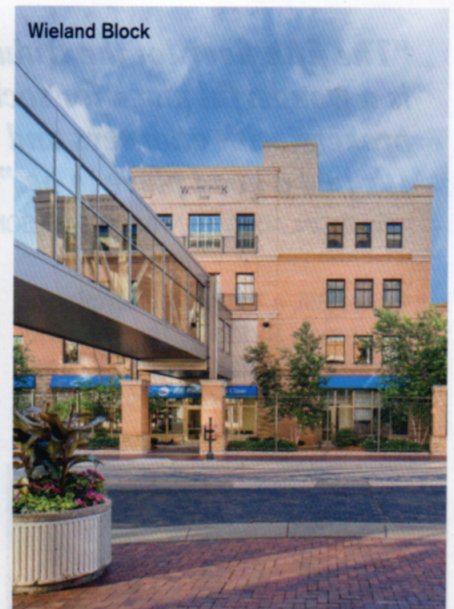
STEVE ISOLA





Duluth Technology Village

STEVE ISOLA



Wieland Block

PHOTO COURTESY OF A&L PROPERTIES

## COFOUNDERS SPARKED DEVELOPMENT IN DULUTH

A&L Properties has been in the business of developing and managing properties since 1985, and its story of origin centers on the legacy of two visionary founders – Lee Anderson and J.R. “Rob” Link – who were friends as well as business principals. Over the years, this firm has restored or developed more than 40 properties in the Twin Ports region, an inventory that at one time was worth approximately \$260 million.

As a property developer, Link was instrumental in revitalizing neglected properties, such as the Wieland Block, the former Diamond Tool and Horseshoe Co. (where the St. Luke’s Denfeld Medical Clinic & Urgent Care stands today) and the former Chinese Lantern restaurant site, among many others. He led development and construction of the Duluth Technology

Village as well. In fact, civic and economic development leaders lauded Link as a catalyst for the rebirth of the East Superior Street area in downtown Duluth.

After Link retired, A&L Properties and its subsidiary, A&L Property Management LLC, shifted away from development to property leasing and facility management. “It was pretty seamless. We had to remain operational for our tenants and building owners to keep everything going,” said Tiffany Hughes, A&L’s president. “Nothing really changed, other than the fact that Rob was a major player. He put a bunch of deals together – he was always rocking and rolling, so there was some transition and difference there. But otherwise, it was pretty seamless.”

Today, A&L Properties is owned by Lee Anderson, who was chairman of API Group Inc. until its sale in

October 2019 to J2 Acquisition Limited, and Dr. Andrew Baertsch, who bought into the firm after Link passed away in 2016. Baertsch founded Northland Plastic Surgery and is also affiliated with multiple hospitals in the area. A&L currently manages about 725,000 square feet of space for corporate, medical, commercial, retail and warehousing clients through a broad portfolio of buildings in Duluth, Superior, Hibbing and Proctor, plus an outlier property in Montana.

A highly efficient staff works alongside Hughes on the property management side of the business. “We are a small team and run a tight ship; we all wear a lot of hats,” said Hughes, who will be celebrating 20 years with A&L Properties this year. Josh Axelson is the chief financial officer and Cheryl Rossi is the accounting manager. Chad Roberts works as A&L’s facilities manager, succeeding



Views of Executive Suites, located on the fifth floor of the Duluth Technology Village.

PHOTOS COURTESY OF A&L PROPERTIES





***“The fifth floor [of the Duluth Technology Village] is a wonderful place for social interaction with other brokers, with attorneys and other professionals. It’s just a good place to be.”***

– FINANCIAL ADVISOR LYNN DART-NELSON, WADDELL & REED



his father Bill, a long-time employee. And Miranda Riddle is the manager of Executive Suites, the Tech Village’s premier fifth-floor location for small businesses and start-ups.



leave,” said Dart-Nelson. “There’s a ‘home’ feeling about this building. The fifth floor is a wonderful place for social interaction with other brokers, with attorneys and other professionals. It’s just a good place to be. I have met some wonderful people here.”

From her perspective as a tenant, Dart-Nelson described what her clients experience when they arrive at her office: “There is a common area; it’s beautiful and it’s large. When people come, they see ‘Executive Suites,’ and they see Miranda [Riddle] behind the big desk. She greets them, offers them hot, fresh-ground coffee, tea or water while my clients wait until I come out.” From a personal perspective, the financial advisor noted that the secure environment, its cleanliness and the ease of access for her clients are all positive benefits of her Tech Village “Class A” location. A&L Properties also offers five

conference rooms of varying sizes at the Tech Village that are available for reservation by the day or by the hour – even for businesses and organizations that are not tenants in the building.

A “Class A” facility, Hughes explained, “is a real estate term, where you’re going to see Class A, B, C facilities. Until the Maurices Tower came in, we were one of the only property managers that had true Class A facilities in Duluth. Obviously, some newer buildings have come along over the years. But in the downtown area, the Tech Village, Wieland [Block] and the Lakewalk buildings [on London Road] are all considered Class A. It’s a class within the real estate realm of things as far as quality of space.”

Hughes said that A&L Properties will do whatever is necessary to accommodate clients’ needs “to make them comfortable and make their occupancy within our buildings as smooth as possible. It’s whatever it takes, essentially.” She added that A&L has great relationships with a group of service vendors, so it can leverage those resources to attend to the needs of its clientele.

The Duluth Technology Village is also home to TKDA, a full-service engineering, architecture and planning firm. In fact, TDKA was one of the building’s first tenants, occupying the third floor. Due to company growth, TKDA moved to the fourth floor and doubled its on-site space in 2017. Another long-term tenant,

**CLASS A FACILITIES**

When Waddell & Reed’s Lynn Dart-Nelson moved from her former office in the Canal Park area, her firm wanted her in a Class A facility. That’s how she came to the Duluth Technology Village in 2001, originally on a temporary, three-month lease.

“Once I got here – on the fifth floor, especially – I didn’t want to

***“They’ve been very helpful with us, and to make sure that we’re able to keep this safe and very workable space for our clinic.”***

– CLINIC MANAGER JOHN JORGENSON, ST. LUKE’S P.S. RUDIE MEDICAL CLINIC



STEVE ISOLA



occupying offices on the first floor, is ZMC Hotels. This hotel management company, founded in Duluth more than 40 years ago, maintains a significant corporate presence in Duluth and is owned today by California-based Hall Equities Group, which has a portfolio of 127 assets across 19 states.

Along with the successful Tech Village property, A&L manages about 20 different buildings around the Twin Ports area. Across the bridge in Superior, Wisconsin, it manages the Superior City Center, a three-story, Class A office/retail space featuring 24/7 security, advanced telecommunications, easy accessibility, underground heated parking and a great location near the Douglas County Courthouse and Government Center building.

### THE HISTORIC WIELAND BLOCK RESTORATION

Another gem in A&L's portfolio is the historic Wieland Block in downtown Duluth. In 2008, the first phase of the building's \$25 million redevelopment resulted in 55,000 square feet of commercial office space encompassing the historic 1889-era, four-story Wieland building and the adjacent two-story Hayes Block building. Both structures were totally gutted, rebuilt and renovated to comply with modern building standards

while retaining their distinctive, historical character.

As a capstone development, A&L added a new 40,000 square-foot, mixed-use structure for office and condominium space, and this portion of Wieland Block is home to the St. Luke's P. S. Rudie Medical Clinic. When the independent clinic merged with St. Luke's, the hospital wanted to retain P.S. Rudie's well-known name and downtown presence while upgrading the clinic's facility, explained Clinic Manager John Jorgenson. "They [St. Luke's] were happy with getting our location at the Wieland Building as an updated building from where we were before, and still be able to support the downtown population needing care," he said.

Ten medical providers comprise part of the staff of nearly 40 health care professionals who occupy the main floor of the building. Having A&L as a property manager allows Jorgenson to focus on his own responsibilities without the worry of maintenance and upkeep. As a point



***"Tiffany [Hughes] always was saying, 'We believe in this, and the owners of A&L believe in you.'"***

- OWNER AND EXECUTIVE DIRECTOR SHELLY VANNESTE, MESABI PRESCHOOL ACADEMY

of contact, Jorgenson relies on A&L's facilities team to handle everything from stuck doors and snow removal to temperature regulation. "They've been very helpful with us, and to make sure that we're able to keep this safe and very workable space for our clinic," said Jorgenson.

Another business owner expanded into the Weiland Block's lower level recently, bringing a unique and much-needed child-care service to the downtown area. "We started looking for a second space probably in the late summer of 2019," said Shelly Vanneste, who is



PHOTO COURTESY OF A&L PROPERTIES



Views of Wieland Block





PHOTOS COURTESY OF A&L PROPERTIES

the owner and executive director of Mesabi Preschool Academy, which she founded in Proctor, Minnesota, in 2013. "I met with Tiffany at A&L in late summer and early fall of 2019 and fell in love with the space she shared with me, and our relationship went from there."

The Wieland Block building had the perfect "blank canvas" Vanneste was searching for – a big, open room she was able to build out to her specifications. During the construction period, Vanneste worked closely with the A&L facilities team.

"I always had a dream of having something downtown in Duluth, because I love Lake Superior and the Lakewalk, and I just envisioned myself pushing strollers of kids down the Lakewalk on a regular basis," said the cheerful business owner. Vanneste also likes the convenience of the lower-level entrance on Michigan Street, which provides easy in-and-out access for her clients.

And when the pandemic delayed her anticipated opening, A&L Properties remained responsive, she added. "The service and support I

received from Tiffany and from A&L have been outstanding," said Vanneste. "Tiffany always was saying, 'We believe in this, and the owners of A&L believe in you.' She would tell me that constantly throughout the first five months of COVID, saying, 'Don't worry, we're okay – we know this is going to be something good for downtown, and we are proud to be part of it.'"

### REVITALIZATION – REIMAGINED

The re-emergence of the downtown district continues to ripple through Duluth today, says President Kristi Stokes of the Greater Downtown Council, thanks in large part to A&L Properties.

"A&L has really played a key role in revitalization. When I look at how things have changed over the last 20-some years, they redeveloped nearly an entire block in our HART [Historic Arts and Theater] District with the Tech Village and the Wieland Block," Stokes said. "Plus, they've restored properties such as the Bridgeman Russell and the Duluth Athletic Club buildings. I would say their commitment to our community is really showcased through some of that work."

The Duluth Athletic Club building at 402 W. First St.

is an excellent example of a location not only recreated, but reimagined. It was formerly home to the Chinese Lantern Restaurant and Brass Phoenix Nightclub, which were lost to a fire in 1994. After a rebuilding and renovation was completed by A&L Properties in 1996, a number of restaurants and bars, as well as a telemarketing firm, subsequently opened and closed there over the years. Today, however, this three-story facility provides office space that offers the benefits of being connected to the skywalk system and a prime downtown location next to the courthouse and government buildings. The City of Duluth currently leases about 75 percent of the building for its Workforce Development Department.

Near to the downtown area, the Lakewalk Center and Lakewalk North on London Road are two "sister buildings" managed by A&L Properties. Lakewalk North is a two-story, Class A mixed-use medical/office facility whose first floor is fully occupied by Essentia Health, with Wipfli on the second floor. Its nearby neighbor, Lakewalk Center, is a 50,000 square-foot building adjacent to I-35 that offers amenities similar to that of Lakewalk North, such as easy access to the Lakewalk, the picturesque Leif Erickson Park and a spectacular view of Lake Superior. This facility is home to Lakewalk Surgery Center,



PHOTO COURTESY OF GREATER DOWNTOWN COUNCIL

***"A&L has really played a key role in revitalization. When I look at how things have changed over the last 20-some years, they redeveloped nearly an entire block in our HART [Historic Arts and Theater] District."***

– PRESIDENT KRISTI STOKES, GREATER DOWNTOWN COUNCIL



Northland Plastic Surgery and other firms, including dental practices and RBC Wealth Management.

"Those two buildings are unique and popular because they have underground heated parking, which is a huge amenity," said Hughes. "It's slightly removed from downtown Duluth, but still in close proximity. People also love the fact that there is surface parking surrounding the buildings. It works well for people who have clients that want to come in and not have to deal with downtown parking."

On the western end of the city, Hughes noted, A&L manages several warehouse facilities, including the Claymore Warehouse. "We have a small vacancy there that's about 3,000 square feet, but we moved Consolidated Communications in

within the last year," she said. "They came down from Hermantown and are now part of that facility." The building is also home to Hunt Electric Corp., another major tenant.

Warehouse space within Duluth is hard to come by, Hughes added, describing it as "a hot commodity." A&L also manages a smaller facility called the Waseca Warehouse on Waseca Industrial Boulevard. Not surprisingly, it is fully occupied.

**POST-PANDEMIC PROGNOSTICATIONS**

While the pandemic has had a short-term impact on the occupancy of office and retail spaces in the downtown area, Hughes and her staff have remained on-site, taking care of the changing needs of their clients. "We are essential workers, in

**A&L PROPERTIES FACILITIES**

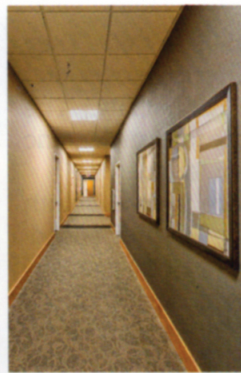
- Canal Park – Duluth Waterfront
- Claymore Warehouse
- Duluth Athletic Club
- Duluth Technology Village
- Howard Court
- Lakewalk Center
- Lakewalk North
- Lange Building
- Superior City Center
- Waseca Warehouse
- Wieland Block



Views of the Lakewalk North facility, located on London Road.

PHOTOS COURTESY OF A&L PROPERTIES





**Canal Park property.**

that our buildings have to remain open," she explained. "Tenants need to be able to occupy their space, if they do want to come in. And one of the major changes was the cleaning and health aspect – trying to get product relating to extra things we needed for cleaning, hand sanitizer and signage, where applicable. A lot of our medical facilities, and even spaces like the Tech Village, have had to remain open."

As the pandemic crisis eases, A&L Properties anticipates seeing the majority of people returning to their brick-and-mortar locations. Many of

its anchor tenants strongly believe in the work-from-the-office model, and while they've been amenable to temporarily working from home, "they want to be in their office space," Hughes said. She added that she and her team had to determine any facility changes needed to ensure that tenants remaining open during the pandemic felt safe and comfortable in their buildings, and to prepare for the return of those who haven't fully resumed operations.

And as a result of the pandemic, A&L continues to prospect for clients with new ideas and hybrid concepts,

generating creative leasing possibilities. "We've been active throughout the pandemic, have been able to secure new tenants and are working on new deals currently," she said. "I definitely think there will be hybrid [leasing concepts] that will happen once the pandemic is over."

Stokes of the Greater Downtown Council agrees. "I think Duluth, especially downtown Duluth, is fortunate to have property owners who are invested in our community," she said. "A&L is obviously one of those. They really look at the bigger picture. They help make the community a



better place. They're not just looking at their property; they're looking at the surrounding neighborhood and how they can impact that and make it a better place. They want to help be part of the solution."




Superior City Center in Superior, Wisconsin.

## AWARD-WINNING – AND LOOKING TO THE FUTURE

Hughes looks forward to A&L Properties' future and is thankful to work with a supportive management team – "to have Lee's and Rob's legacy live on with everything they created," she said. "We continue their tradition of being proactive instead of reactive in maintaining our Class A facilities."

She is also grateful she was given the opportunity to lead the business and serve as president of a company that has done a lot for Duluth. A&L Properties has been recognized for excellence through an award from the Duluth Preservation Society, being selected as a Twin Cities Business Magazine "Top 25 Property Management Firm" and receiving "Best New Business Structure" honors at the 1999 Global Bangemann IT Challenge.

"I love all the business relationships that we've created – getting to know our tenants and having them become friends," Hughes said. "It's been a great ride." 

Patrick Lapinski is a freelance writer who grew up in Superior, Wisconsin.