

Unique Collaboration Leads to Brewery Creek Apartments and Terrace

BY PATRICK LAPSIKI

The final sprint is on for the completion of the Brewery Creek Apartments in Duluth's Central Hillside neighborhood at the corner of Sixth Avenue East and Fourth Street. The need for housing exceeds the capacity in many areas of Duluth and news of the 52-unit development made headlines last spring when the pieces fell into place after years of planning.

"When you put a project like this one together, there are lots of potential goods that can come out of it," says Jeff Corey, Executive Director of One Roof Community Housing, the project developer, with assistance from Three Rivers Community Action. "There's the neighborhood good, in terms of just transforming that half block, but there's also the affordable housing units that we'll

create. In terms of providing quality, affordable housing, proximate to a lot of jobs in the community, plus providing supportive housing for young folks who have been homeless and in need of housing and services, those are all just things that need doing in the community. We're happy to lean into that, and try to make good things happen to people."

One Roof is a community-based development organization, and mission driven. Corey said this location "had been sitting either vacant and blighted, or under-utilized and blighted, for decades." He says groups like One Roof are "the ones that look at a community problem like that and say, 'Well, if not us, then who?' In some ways, that's kind of the 'why' behind why we did it."





BUILDING COMMUNITY

A half block to the east, and literally on the other side of Brewery Creek, is the Brewery Creek Terrace, a vintage brownstone under restoration at 631 East Fourth Street. The brownstone was designed by the Duluth architectural firm of Young & Nystrom in 1902 for the Massachusetts Real Estate Company. The seven-resident stone and brick building was named Brook Terrace upon completion in 1903.

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- JEFF COREY, EXECUTIVE DIRECTOR - ONE ROOF COMMUNITY HOUSING

It was touch and go early in the project for the survival of the little brownstone and required some juggling on the part of One Roof to save it from the wrecking ball. The costs of the restoration exceeded One Roof’s budget for that and the apartments, so they sold the brownstone to Heirloom Property Management, who in turn realized the scope of work was going to be larger than they had anticipated.

To keep the sale viable, One Roof was able to get Essentia Health to participate with them as a second position loan to the project. “We each have money in it,” says Corey. “One Roof has significantly less money in it than Essentia does, but we’re acting as the lender and are servicing the loan, and Essentia is more like the investor.”

Involvement in housing is an extension of Essentia Health’s long-term mission of providing health to the residents of Duluth.

“Our mission is ‘we are called to make a healthy difference in people’s lives.’ And when you hear that mission, you notice, it has nothing to say about when you come to the clinic, or when you come to the hospital,” explains Dr. David Herman, MD, and CEO of Essentia Health. “Whether it’s your level of education, the community you’re living in, your socio-economic status, all those things affect your long-term health status.”

Things like housing or transportation are investments in the health of individuals, which is the investment in the health of a community, reasons Dr. Herman. “It’s not a long distance between having a secure place to live and having your diabetes under better control, or having your blood pressure under better control. Those things are very closely aligned. We like to align with community partners whose expertise is housing or transportation or food and work with them and contribute to the resources they need,” emphasizes Dr. Herman, “to provide those important services that truly do affect members of the communities’ health status.”



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- EMILY TIMM, PROJECT ARCHITECT - LHB

Dr. Herman says Essentia Health has partnered with One Roof on other projects, and have a lot of respect for their capabilities. “They are the experts in that area. They know what works and what doesn’t work. I also think they know where to go for other resources. When an Essentia Health or another member of the business community joins with One Roof, it provides them the credibility,” says Dr. Herman. “That way, the state knows that it’s not just one person standing up and waving their hand, that there’s a plan, that members of the community support it, and that it’s much more likely to be viable in the long run, when they can see that there’s broader community support than just one group.”

Plans for Brewery Creek Terrace call for 20 units, with 16 available to households at or below 80 percent of the area median income. This summer, work on the building’s interior apartments is at its peak, barreling toward a late fall completion and a time of celebration, says Mike Schraepfer, president of Heirloom Property Management.

“A lot of what Heirloom Property Management does is essentially workforce type housing,” says Schraepfer. “We kind of call it the lost middle.” He explains that a lot of developments are considered low-income, and therefore receive grants and subsidies, or they are luxury and go for as much rent as they can get, but not a lot is built for stuff in the middle, says Schraepfer. “It’s not brand new, and the most affordable house at the end of the day is an existing house. A lot of what we do is maintain housing stock, and we do a lot of remodeling.”

As the exterior is restored to its previous glory, after a century of constant use, little remains of the building’s original interior. “The building had been hacked up and remodeled so many times that there were a lot of things in disarray.”

Structurally, the west side foundation wall for the building doubled as the retaining wall for Brewery Creek when it was encased beneath Brook Terrace. “It was starting to break away, so we had to put a whole new retaining wall in.” The rear parking lot was sloped toward the buried creek, and that had to be sloped away from the creek to protect it from stormwater runoff.

The interior will never resemble the original, but the new apartments will be nestled inside the cocoon of the original exterior. Schraepfer recalls how easy it was to decide on a course of action after they’d completed the interior demolition and started looking at the masonry.

“There were places where you could see through the brick walls. The east wall was in real bad shape,” he recalled. “You can’t necessarily see it from the outside, but inside, we had to build an entirely new wall from the ground up to the third floor behind the wall you see on the outside, because it was structurally deficient.”

Heirloom brought in all new mechanicals, enlarged the sewer and water lines, and installed a sprinkler system with state-of-the-art fire control. “At the end of the day, it was a brick shell that was largely compromised, is kind of what’s being saved.”





The former Brook Terrace property, long an eyesore and unsafe space, had made the top 10 list of most endangered structures in Duluth. Not all survive. Blake Romenesko, president of the Duluth Preservation Alliance, says these brownstones are an important link to Duluth's past. While the Brewery Creek Terrace project was never directly tied to the Preservation Alliance, Romenesko sees its preservation as a victory for Duluth.

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“It still has all that brick and brownstone, which is really iconic to our central neighborhoods and losing buildings like this really takes away the character that makes our neighborhoods unique.” The brownstones were popular at the time the city’s hillside was being developed, says Romenesko, who believes the old buildings give Duluth a competitive advantage in its housing stock. “It’s really important that we continue using them, saving them and repurposing them for the future.”

THE OTHER SIDE OF THE CREEK

The design process for the Brewery Creek Apartments began in 2013, says project architect Emily Timm, AIA, LEED AP, of LHB, a multi-disciplinary engineering, architecture and planning firm. “The design of the building develops over time based on several factors including project budget, zoning code requirements, aesthetics of the local neighborhood, owner/developer preferences, and the programmatic needs for the future residents. We try to find a good balance between size and cost so that we are able to produce a quality building.”

Timm says the city has a form-based zoning code which establishes guidelines for overall building size, form, material and design principles. “We worked within those guidelines and within the established project budget to design a contemporary building with traditional elements, such as a distinctive first floor that is pedestrian oriented, bay windows and a cornice at the roof edge. Each design decision was reviewed with the developer for their input and acceptance.”





Having a good working relationship with the general contractor is critical, says Timm. "We expect the general contractor to be absolutely capable of performing high quality work described in the construction documents. Many of the projects that LHB works on are negotiated

clients and funders. Publicly funded projects are typically held to a higher level of accountability and scrutiny than privately funded projects, which requires contractors who are as committed to the development of affordable housing as our nonprofit organization clients."

"It's kind of humbling being a part of a project like this. One Roof has a mission of helping people that are in need and this building is going to provide 52 units of high-quality affordable housing for people in the community that need it."

- BOB FAULKNER, SENIOR PROJECT MANAGER - FRERICHS CONSTRUCTION

For the Brewery Creek Apartments, the general contractor, Frerichs Construction, had a long history of working with LHB.

"We do numerous projects every year with LHB," says Bob Faulkner, Senior Project Manager for Frerichs. "It's like playing the game of basketball, you start to know what your other teammates are going to do. And you just kind of expect them to be where they're supposed to be. They get their part done, and you get your part done; it's teamwork."

bid, and we often end up working with contractors who have extensive experience constructing affordable housing projects with nonprofit organizations. These contractors not only need to be good at constructing durable, long lasting and beautiful buildings incorporating sustainable design features, they also have to be experts at managing the bidding and construction process for our

For Frerichs Construction, the project got off to a rocky start, literally. "It all begins with putting down a solid foundation on the rocky Duluth hillside," said Faulkner. "The rock is definitely challenging, so we use what they call caissons. It's basically a big drill pile system so we can drill down into the bedrock. I don't remember what the deepest point was, 12 feet on the caisson is kind of what I'm thinking. Some of them are much shorter, but





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“We’ve worked with One Roof Housing off and on over the past on things like single-family housing,” says Jason Holliday, Planning Director for the Fond du Lac Band. “Jeff approached us one day about building a project by the Whole Foods in Duluth on Fourth Street. So, we met, we talked about it, and ultimately, he asked us to be a partner, and our Fond du Lac tribal council said yes, our reservation Business Committee said yes.”

Holliday says the Fond du Lac Band had done a housing study that said 384 units of housing were needed. “It’s kind of spread all over the place. But we do have a lot of band members that live in the Duluth area. And Fond du Lac does have a casino in Duluth. We have a clinic

it’s a much more complicated footing structure compared to how we would typically build.”

As with any general contractor, Frerichs couldn’t do it without the support of the Duluth building trades. Faulkner says there’s a PLA (project labor agreement) on the project. “The union and its members provide a lot of valuable resources, the craftsmanship and the knowledge of how to put it together; so the union is important. I’ve got very little to do with constructing it,” says Faulkner. “We rely on a lot of partners to get something like this built.”

On the project, Frerichs’ is signatory to the carpenters, laborers and operators, among many supporting players.

BUILDING AND SUPPORTING COMMUNITY

The 52-unit Brewery Creek Apartments will include 26 units for homeless young adults with a history of homelessness, and 10 units designated for members of the Fond du Lac Band of Lake Superior Chippewa.





Brewery Creek Apartments project. "They've been a marvelous partner on the project and really have leaned into helping to do some good things for the neighborhood, and for folks that really need good housing," praised Jeff Corey.

"I believe that being a community is important, and being a community means that you participate in the community, whether it's through your expertise, whether it's through fundraising, or sometimes just showing up and listening," says Dr. Herman, CEO of Essentia Health. "If you are going to be part of the community, you need to step up in every way that you can. You can't step up and be part of everything.



in Duluth as well, and students that attend St. Scholastica, UMD, so just opportunity to have housing for those people that may work in those two places or want to go to school is great."

When it comes to housing, everyone agrees we could use more of it, but few are willing or able to take the risk to build. It's a huge investment, and once again, Essentia Health made a substantial contribution in the form of a \$1.425 million grant for the

Any organization has a limited number of resources, but we've developed a process and have hired very good people who can review those opportunities and find out where our resources can make the most impact within a community."

The building exterior is described by LHB's Timm as "contemporary, inspired by traditional elements. The interior of the building is clean, simple, bright and livable."



One Roof's Corey is excited about the project. "It's a high-quality building. I think it looks just fine from the outside, but more importantly, if you go into the building and experience the apartments, they're really great apartments. They've got lovely views, they've got great natural light, they're generous in size."

Bob Faulkner, Senior Project Manager with Frerichs, says people think there is a stigma with affordable housing, that it's kind of rundown, crappy-looking buildings. "That's not what Brewery Creek is," says Faulkner. "It's kind of humbling being a part of a project like this. One Roof has a mission of helping people that are in need and this building is going to provide 52 units of high-quality affordable housing for people in the community that need it." **D**

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