

Repurposing old schools: From condos to churches, developers find ways to convert

by Dan Emerson

Published: September 18th, 2012

When Pastor Craig Pederson first saw the vacant Holland School in northeast Minneapolis he thought it looked more like a fortress than a worship space.

But Pederson saw possibilities in the 1968-era building, especially its two-story, glass atrium.

Pederson's church, Northeast Community Lutheran, bought the building from the Minneapolis school district and — with the help of architects and contractors — is transforming it into a place suitable for church services and community gatherings.

Finding new uses for vacant school buildings can be a viable strategy for school districts and for developers who can repurpose them for housing or other facilities.

On its website, Cushman & Wakefield/NorthMarq lists six school buildings for lease, four for sale, and one for sale or lease. School districts in the suburbs of Robbinsdale, Mahtomedi and Anoka have properties on the market, and some are being considered for multifamily housing developments.

No official tally of school building sales is available, and the Minnesota Department of Education does not track them. But, based on an informal survey, most school buildings sold in Minnesota have been purchased by other educational groups for use as schools. A few have been converted for housing or other purposes.

Five years after the Holland School, at 1534 Sixth St. NE, closed in 2005, the Northeast Community Lutheran Church bought the 52,000-square-foot structure for \$1.7 million and financed a renovation that is bringing the building closer to its original form.

To provide a light-filled worship space, Minneapolis architect Paul Gates recommended restoring the central atrium, which had been covered in a previous remodeling. With the addition of an altar, cross, baptismal font and other elements, the space will represent a balance between traditional and contemporary liturgical design, Gates said.

Today, three other churches and two charter schools also lease part of the space in the Grace Center for Community Life.

The most high-profile school conversion in Minneapolis is the Lehmann Center building on Lake Street. Built in 1907, the Florence M. Lehmann Multi-Educational Center housed adult basic education, citizenship classes, English Language learning, community education and alternative education.

Now, Plymouth-based Dominion is developing 136 affordable apartments there and expects a Nov. 1 completion date.

From a developer's perspective, it's much more cost-effective to remodel an existing concrete



Pastor Craig Pederson of Northeast Community Lutheran Church saw possibilities for his congregation in the old Holland School in Minneapolis, which the church purchased for \$1.7 million in 2010. (Staff photos: Bill Klotz)

structure than to build a new one. In today's market, building a four-story concrete building like the Lehman Center would be cost-prohibitive. A new apartment building with as many units as the Lehmann Center project would necessitate using more wood because wood construction is significantly less expensive than concrete, said architect Gary Vogel of Minneapolis-based BKV Group.

Another characteristic of school buildings is that their floor plans are "unique in and of themselves," Vogel said.

Even so, fitting units into an existing building shape can be challenging for architects. As a result, apartments built in converted buildings tend to have unusual floor plans, which is often appealing to renters looking for something different.

After the Minneapolis school district closed Northrop School at 1611 E. 46th St. in 2005, United Properties was working on a deal to raze the building and develop 106 cooperative housing units for people age 55-plus. But the deal didn't happen, partially because of the economic slowdown and housing-market slump. Since then, the parties have not been able to agree on terms.

When school districts are trying to sell buildings, it's typically easier to find prospective buyers who want to remove existing buildings and build something else, said Paul Donovan, executive director of Minneapolis-based Cushman & Wakefield/NorthMarq's advisory services group.

But school districts are better off "holding out for some value," he advises. "They don't want to sell it to someone who wants it for the land value only."

In selling a school building, a district can typically get around \$70 per square foot if the buyer wants to use or renovate the building compared with just \$15 per square foot if the buyer plans to raze it and replace it, according to Donovan.

Also, school buildings are often located in the middle of neighborhoods, where zoning codes and neighborhood groups' preferences may limit the possibilities for non-school uses, Donovan notes.

Minneapolis-based Miller Dunwiddie Architecture has designed two school-conversion projects, in Red Wing and Brainerd. In Red Wing, four developer-partners purchased the 1915-vintage Central Park High School building and converted it into condominiums, or "loft apartments." The 62,000-square-foot Central Park Condominiums complex was completed in 2006. The project used historic facade easements as part of its financing strategy, according to Denita Lemmon, an architect and project manager with the firm.

Several qualities typical in 20th century school buildings made the structure work as a conversion into housing, Lemmon said. Those include wide corridors and stairways, an open footprint with "minimal structure" and good sound separation between rooms. Also, the building's downtown location makes it desirable to buyers looking for a "walkable" place to live.

Miller Dunwiddie also designed the conversion of the Franklin Junior High School building in Brainerd into an arts center developed by Minneapolis-based nonprofit Artspace. The project was completed in 2008 and fully leased by 2009.

Half of the building was already occupied by galleries and artists' studios, Lemmon said. Loft-living spaces were developed in the other half. The former school's high ceilings and large windows made it ideal for conversion to art studios, Lemmon said. Also, its loading dock worked well for bringing in bulky raw materials such as clay and metal.

Complete URL: <http://finance-commerce.com/2012/09/repurposing-old-schools-from-condos-to-churches-developers-find-ways-to-convert/>