

Recap of East Downtown Council's Business Forum
Thursday, October 16, 2014
11:30 a.m. – 1:00 p.m.
Hyatt Place Hotel, 425 South 7th Street
Downtown West Neighborhood of Minneapolis

- ***Welcome and introductions***

EDC Chair Paul Mellblom welcomed the audience to the October business forum and explained that the organization is trying to be a much more vital part of all the exciting things happening in the neighborhood. The business forums are one of the best ways to do that because it's where you come to network with other people who care about and are engaged in the neighborhood. It's also where you come to hear about the great things happening in the neighborhood, some of the challenges and hopefully a lot of the opportunities that exists. Michael Langley will speak on a bigger scale about Greater MSP's work in that area and Dan will talk about some of the upcoming forums.

Paul explained that the EDC is comprised of business and neighborhood members and is most effective when they are actively engaged and encouraged everyone to become involved in its four committees: Board Development; Business Forum Development; Marketing, Membership and Communication; and Strategy.

Paul then thanked the host, Joshua Clark, manager of Hyatt Place Hotel, for providing the free space and food and encouraged everyone to contribute something to the newly established Community Development Fund.

Joshua thanked the audience for coming and advised that they are passionate about the EDC. When legislation passed in September 2012 for the new stadium, Hyatt bought this property and closed on it by October 2012. It's a great investment in the community and for their ownership group so they see a lot of value here prior to the groundbreaking that occurred. As background, they took out over 400 tons of debris and rebuilt it from the ground up; from the concrete to the studs everything in the hotel is brand new. They spent \$25 million, plus the purchase price, to get to where they are today.

Joshua then announced that tours would be conducted after the forum. The rooms are beautiful, they have a south atrium as well and they're having deals on holiday parties. Let him know if you need anything; they're here to help the community.

EDC Executive Director Dan Collison said he had the privilege of touring the hotel a couple months ago. It's fantastic and the amenities are wonderful. Then he welcomed the audience and extended gratitude to those who renewed their membership, and a special thanks to platinum members:

- Allied Parking
- CenterPoint Energy
- Hennepin County Medical Center
- Kraus-Anderson
- Minnesota Vikings
- Mortenson Construction
- NRG Energy Center
- PadillaCRT
- Valspar
- Wells Fargo

Dan then explained that the Community Development Fund was established to support events that contribute to the promotion, advancement and common good interests within the district and if member organizations are interested in conducting a community-wide event that meet the criteria, they can apply for these funds.

Then he noted that Michael Langley would be presenting to 100 commissioners from the largest counties in the United States later in the day then asked the audience to introduce themselves.

- ***Downtown East Project Construction Update.*** Mike Ryan, VP and Director of Architecture and Engineering at Ryan Companies, displayed the construction update as seen through a camera on top of Capella Tower and explained that they are the lead designer on the buildings and the master plan of the area. He and Rick Collins gave a presentation to this group about 6 months ago as well as to the joint neighborhood group four times over the last year.

Currently, there is an RFP by the City seeking a landscape architect-led team to design the park boarded by the stadium to the east, Blocks 68, 69 (Wells Fargo mixed-use) and 70 (MFS parking garage) to the north, the residential site along 5th Avenue to the west, and the Armory to the south. Renderings were shown to establish each property's relationship to the others. Construction is well underway with Block 68; it has the elevator core and foundation walls up and the first and second floors of the office building are really taking off. They are up to the fifth level of 15 stories. The construction on Block 69 lags Block 68 by 3 months. They only started activity in the last month on Block 70; asbestos removal is complete and the building has now been demolished. Regarding the residential building to the west of the park, they won't start construction on that until Spring 2015 and demolition of the Star Tribune property on Portland Avenue likewise will not begin until then. For wrap up dates reference Dan's package. The two residential buildings on Blocks 68 and 69 will open last after Wells Fargo is done, the garage is up and the skyway is connected to the stadium.

They have a contractual obligation with the City to open a "basic park" in the summer before the first Vikings game. When they get clear definition of what that basic park should be from the chosen design team then they'll be able to define when it gets delivered.

The City has not approved anything for the air rights project but Ryan is planning a project for that site and hopes to share it with us soon.

Mike then responded to questions he was posed in advance related to planned street closures, parking restrictions, rerouting or interruption of bus service, excessive noise, large events, and uptick in workforce (also reference Dan's forum package).

Dan advised that the EDC is representing its members on the Park Design Selection Committee that Kjersti Monson of CPED is leading. More than 20 firms have responded to the RFP.

Also, because he shares staff time with the MDC, he is leading the 2025 Plan East Downtown Development Committee, a task force of the larger Development Committee that Mike Ryan chairs. The small working group of about 20 met earlier that morning to begin digging into all that is going on and coordinating with all the people and organizations so that placemaking will be considered along with big structural projects.

Dan then introduced Michael Langley, CEO of Greater MSP by providing a brief biography.

- ***The Leading Edge of East Downtown Development.*** Michael stated that he also serves on the 2025 Plan Development Committee with Mike Ryan and many others in the room and leaders in the community. It has really been exciting to be a part of all this activity in East Downtown. Then he gave an overview of what this all means as a region and as they are globally leading folks to our region (reference Dan's package). The message he'll take to the 100 largest county leaders in America later in the day will be how our public, private and institutional leaders work together that sets us apart from many other communities.

Michael advised that he just came back from San Francisco — each year the chambers collectively conduct intercity leadership visits — then shared a booklet from the visit that details how Minneapolis/St. Paul stacks up to one of the world's great regions, the San Francisco Bay area. After returning from that trip, he's glad he lives here and had the opportunity to look at the upside of the trajectory of this region over the next 50 years versus the problems and challenges they face in San Francisco; it helps to understand how great we have it here and what our wonderful future looks like if we work together.

What prompted a study of this region was when over a year and a half ago, Mayor Rybak approached him and said he didn't have a picture of what this whole area might look like if we do the stadium here versus the other two sites. Rybak wanted to catalyze investment in East Downtown and no one had shown him a visionary picture. Greater MSP, along with Cresa and Perkins+Will, went to work to create that visionary picture now known as the *Downtown East: The Next Generation* report, then turned it over to the MDC and the EDC to use it as they choose; it's a great food for thought piece. This report has also been shown to site location consultants, developers, brokers and investors and it helps them to help them make decisions.

Michael then gave a statistical overview of the MSP region: it's a 16-county metropolitan statistical area; has \$228 billion in gross domestic product annually; has the 41st largest global economy, the same size as the Ukraine, Ireland and Denmark; and its unemployment rate is 3.8%, the lowest of any major metropolitan region in the county.

Because economies are not created on the boundaries of neighborhoods, cities or counties, but on regional economies, our airport and the expansion of our transit system will be strong regional assets. The Brookings Institute estimates that 12% of the U.S. geography accounts for 80% of our GDP because we aggregate and agglomerate activity into a very small geography compared to the rest of the county so we need to be mindful that regional economies are what creates the success of the world economy at this point.

To be competitive we need to integrate urban, suburban and the rural/ex-urban areas together. All elements of our region are important, but the downtown core area that we're talking about here, if you think of it as an organism, is the heartbeat of this great region. So if the heart and the core is not strong, the rest of the region won't be strong and able to deliver what it needs to do, i.e., bringing resources and pooling assets of the region together and concentrate them into the urban area.

The U.S. Census Bureau estimates that 10% of our regions' workforce works in downtown Minneapolis but 90% of those commute from elsewhere in the region and that is one of the reasons why there's a goal to double the downtown residential population by 2025. Having more living options will be a great boom to workers living downtown and in East Downtown as well.

Michael advised that he is a downtown resident and every morning he gets to see the time lapse of the new construction in East Downtown. Three years ago when he moved into his high-rise condo with its 270° swath of the city, being an economic development guy, he counted two construction cranes. This morning he counted 41 and that's what he's calling the "Langley Urban Vitality Index." It's been so inspiring and exciting to see what's happening and he'll continue to use that index. He knows it'll come back down when the stadium and Ryan/Wells projects are done but more projects are in the pipeline.

Having accessible transportation is important to stimulate development and proximity to transit was one of the key reasons cited for the Ryan/Wells project in East Downtown. The presence of transit is critical if we want this regional development to surpass the many parking lots that followed the building of the Metrodome.

One of the key concerns for the near term is the availability of high caliber and talented workers to fill the jobs we have. The Department of Employment and Economic Development (DEED) recently announced job vacancies have reached a 13-year high; there are over 55,000 open positions in the metro area now. This is concerning because the primary question he gets when he talks to site selectors, corporate real estate persons considering our region, is whether we have the quality and quantity of talent that their client companies will need to be successful and that is our biggest strength, our highly prized workforce and strong education and work ethic. Estimates vary but he expects a shortfall of workers that will grow to somewhere over 100,000 workers needed more than we have by 2020 if we don't do something now. Greater MSP with its state, county, local and business partners have begun to work on a talent retention and attraction effort this year and the future of East Downtown figures prominently in that initiative, particularly with millennials, to build our workforce. They recently conducted a survey of millennials to find out what is important to them in selecting home city and what their perspective is on our region (reference Young Professionals Survey chart).

There is no other area in the region, especially in the urban core, with this level of development and redevelopment potential. It has the lowest concentration of residents relative to other downtown neighborhoods and this indicates an opportunity to increase density in the area. The East Downtown area has this unique opportunity to create the urban environment from scratch and build the neighborhood into we want and that was the purpose of the vision as they put it together.

Michael then mentioned the following significant insights from the study:

- *Context of the district.* The surrounding area has undergone incredible transformation over the past decade and the district is imbedded within the downtown core and integrated with a huge range of uses that draws millions of people throughout all seasons and times of days. Access to this tremendous fluctuating population provides opportunity to attract new businesses and strengthen those already here. Capitalizing on the 24/7, 365 vibrancy of downtown Minneapolis is the key to the success of this district as well. Its location is especially compelling when you consider the concentration of education, arts, culture and sports that ring the district and is accessible within a 20-minute walk from the downtown core.
- *Areas and uses of district.* For future development, areas and uses could be a blend of the following three zones: corporate expansion from the downtown core; live, work and play; and innovation with the proximity to high-speed fiber optics networks, data centers and supercomputers.
- *Connections from district.* Create and enhance north and south linkages to the historic Mississippi River corridor via green corridors along Park and Portland Avenues and more urban plazas along South 5th Street and Chicago Avenue. Create/enhance east and west linkages via the new 5th Street bikeway interweaving with the LRT to connect the downtown to Cedar-Riverside, U of MN and beyond. Create a new skyway loop east to the new Vikings stadium to provide an opportunity to re-conceive the notion of indoor/outdoor, street and second level space for everyone. These improvements are vital to the redevelopment of the area and region.

Michael explained that the remainder of the study contains a lot of ideas about what the design of the district could look like, e.g., skyway connections, green space and transit, but those discussions are best left to city planners and neighborhood groups rather than the regional economic development guy; however, they are critical from a regional economic development perspective. A city where people want to work and live is core to our region and will help make our entire region thrive.

Rarely do they get a chance to plan such a large area almost from scratch. They hope the vision plan will serve to guide development ideas in the near term as well into the long future. They want it to inspire

anyone with an interest in this part of downtown to get involved in the planning and understand that with a great vision we can make this district one where people will live, work and prosper. East Downtown is a microcosm of this large successful region and has access to all of the assets within the region and is poised to experience unbelievable growth in terms of quantity and quality of opportunities.

Michael Langley and Mike Ryan then entertained questions from the audience.

- **Conclusion**

Dan again thanked the speakers for their presentations, the host, and the audience for attending. Then he announced:

- The next business forum will be on Thursday, November 20th, 11:30 a.m.-1:00 p.m. at Meet Minneapolis. Melvin Tennant, President and CEO, will present on how they won the Super Bowl bid. The featured topic will be *Beautiful and Safe: Urban Design and Programming in the Built Environment* with Ben Shardlow, Director of Public Realm Initiatives, Minneapolis Downtown Improvement District.
- The DMNA annual meeting on Tuesday, October 21st at The Depot Minneapolis. EDC members running include Ken Searl, Carletta Sweet, and David Tinjum.