

Recap of East Downtown Council's Business Forum
Thursday, February 18, 2016
11:30 a.m. – 1:00 p.m.
1010 Building, 1010 South 7th Street
Elliot Park Neighborhood of Minneapolis

- **Welcome and Introductions**

EDC President Paul Mellblom welcomed the audience to the February business forum, thanked Board member Varun Kharbanda for hosting, and noted the EDC is successful because of its great membership and tries to reflect the aspirations of its membership.

Thereafter, Mellblom asked the audience to introduce themselves, and to feel free to direct questions about the organizations to those who identify themselves as Board members. Carolyn Vinup from D'Amico announced that the food being provided came from their Drop-off Service (<http://www.damicocatering.com/ace/>).

Collison also welcomed the audience and announced the following new members:

- Rick Crispino;
- Rosemary Ugboajah of Neka Creative; and
- Elizabeth Sherry of Culinaire at the Guthrie Theater

Then he thanked and acknowledged the EDC's platinum sponsors:

- Allied Parking
- CenterPoint Energy
- ESG Architects
- Hennepin County Medical Center
- Kraus-Anderson
- Minnesota Adult & Teen Challenge
- Minnesota Vikings
- Mortenson Construction
- NRG Energy Center
- PadillaCRT
- Ryan Companies
- Valspar
- Wells Fargo

Collison noted that the EDC is in an early recruitment phase offering to those who join now membership that will extend through June of 2017 and then he extended a thank you to those who are joining for their support of the EDC's work.

- **Announcements**

Collison announced the recent rollout of the first quarterly newsletter and asked everyone to give Executive Coordinator Christie Rock Hantge a high five for its execution. The newsletter is design to be quick reading with links to relevant articles, and a member will be featured each quarter. If you're on the email list and didn't receive it, confirm you address with him or check your junk folder, otherwise join the email list on the home page of the website at <http://edcmpls.org/>.

- **Upcoming Events**

Collison described the following events and their relevancy to the EDC membership:

- Business Advisory Meeting on the Plastic Bag Ban and Working Families Agenda on Friday, February 19th, 2-3:30 p.m. at Calhoun Square in the former Republic space on the 2nd floor.
- Part 2 of the final Downtown Service Area Master Plan Steering Committee meeting on Thursday, February 25th, 6:30-8:30 p.m. at Minneapolis Park and Recreation Board headquarters. Kjersti Monson, Director of Long Range Planning at Minneapolis CPED, and Jennifer Ringold, Deputy Superintendent at the MPRB, were the featured presenters at last month's business forum at Day Block Brewing. The joint City and MPRB Pathways to Places effort to improve parks and public spaces downtown is in an input phase and the EDC is advocating for the public spaces and parks within the district.
- Because the MPRB is seeking a referendum that will affect Minneapolis taxpayers (<http://www.savemplsparks.org/>), MPRB Superintendent Jayne Miller has been invited to the May 19th business forum to answer questions.
- People Serving People's 17th annual gala on Saturday, April 16th at the Hyatt Regency, 1300 Nicollet Mall with PSP CEO and EDC Board member Daniel Gummit (<http://www.peopleservingpeople.org/events/events-2/annual-gala/>).
- The Downtown Minneapolis Neighborhood Association's monthly Land Use Committee and Livability Committee meetings. They are open to the public so visit the website for dates, times, and locations (<http://www.thedmna.org/>)
- Elliot Park Neighborhood, Inc.'s monthly Livability Task Force and Building, Land Use and Housing (BLUH) Committee meetings. They are open to the public so visit the website for dates, times, and locations (<http://elliotparkneighborhood.org/>).
- The March 19th EDC business forum's topic will be *Crossing the Goal Line: Stadium Completion* with Minnesota Sports Facilities Authority Chair Michele Kelm-Helgren. It is likely July will be a huge public celebration with free tours. Another interesting piece is the land bridge construction is underway and Kelm-Helgren will give update on that as well as the plaza design.

- **Development Spotlight: East End Project**

Sherman and Associates (<http://www.sherman-associates.com/>) President George Sherman gave a brief history of his company. It has been developing properties in Minneapolis since 1978 and spends its time on infill locations. Today they are involved in 8 different states mostly doing blocks like the one he'll describe. Normally, they develop housing but they also have quite a few hotels and small office buildings; they try to bring multiple different types of product to a block location. They are long-term owners; many of the properties they developed back in the 1979-1980 they continue to own.

There are about 450 employees in Minneapolis; most of them are in property management

but there is also the corporate office a few blocks away.

Using a slide presentation, Sherman then described the plans for the redevelopment of the Old Spaghetti Factory block, the building which SA purchased about 15 years ago. When the prior owner, OSF, purchased and redeveloped the building, it came with a complicated parking lease they executed with the City for 55 years at about a \$1 per day. As a consequence, SA has spent an incredible amount of time renegotiating the lease to be able to redevelop that block.

About 18 months ago, SA purchased the adjoining two buildings, i.e., the Grainger Industrial Supply (<https://go.hubbiz.com/granger-industrial-supply-mn-5>) which took a long acquisition time because they wanted to relocate but still serve downtown; and Thresher Square from Minot, N.D.-based IRET who had purchased it from Hoyt Properties and it too came with a lot of long-term government leases with the Veterans Administration.

In the middle of last year, SA received planning approval for redevelopment of the block. Plans call for renovation of three existing historic buildings — the OSF and the beautiful two building Thresher Square with the latter being converted into a Hilton Canopy — demolition of the Grainger building, and the construction of 180 market rate units above a ground level Trader's Joe grocery store at the corner of Washington and Chicago Avenues and another soon to be announced restaurant on South 3rd Street. Underneath the new structure will be 340 parking spaces on three underground levels.

Sherman then discussed how this development will be good for the neighborhood, e.g., retains much needed parking but removes it visually; wrote a \$1.1 million check to Xcel Energy to relocate the power lines underground; sidewalk, curb, bump outs and gutter plans and improved street lighting the City is putting in will improve pedestrian access to the site.

The site has all kinds of easements from the 1870s as part of the railroad lines that served the riverfront and, as a consequence, is contaminated and why the area has a lot of cross diagonal alleys and streets. The cost to clean up the site is about \$1 million and, as part of the improvement of the overall water quality, SA will be storing underneath the new structure and parking structures new water storage tanks so that rainwater doesn't run into the streets. All told, it adds up to almost \$100 million project and the financing is in place; you'll see the first digging up towards the end of March.

Lastly, Sherman briefly described SA's other project nearby, the 12+ story, 123-unit Encore project across from the Gold Medal Park that will be completed by November.

- **Business Connections and Security Concerns for West Bank Businesses and the Somali Community**

Collison introduced Hamse Warfa, founder and Principal of TAYO Consulting Group, LLC, by reading a brief biography taken from Warfa's publication, *American Here I Come: A Somali Refugee's Quest for Hope*.

Using a slide presentation, Warfa explained that when talking about the Somali

community, you run into the challenge of the negative narrative, i.e., a lot of focus on the issue of radicalization, gang membership, and other negative images about the community. There's a lot of coverage of the Somali community often arising from criminal behavior involving young people.

Warfa then described the normal story of the Somali community in Minnesota. For new immigrants, the U.S. and Canada seem to do much better than the rest of the world. Even after three generations, immigrants still tend to be in poverty and uneducated. However, in the U.S., within the first generation, despite formidable challenges and structural issues, they tend to move up.

Minnesota has 80,000 + Somali residents. Initially the state had, based on the census, 14,000, but at a presentation he attended 3 years ago he advised them that he had 16,000 Somali contacts on his phone. The state took it as constructive feedback and subsequently worked on getting more accurate numbers. Two weeks ago the state released the new number of 46,000.

The school district has 58,000 Somalis and numbers vary because in the census some people select African American, some select black, some select sub-ethnic group so it's difficult to get an accurate count. Minnesota has the largest African community in the U.S., largest Liberian community outside of Liberia, largest Somalia community, a very large international student population, and 19 of the Fortune 500 companies so Minnesota is becoming more and more a global hub and a central place for global engagement.

The Somali community has been here for less than 25 years; about 73% have been here less than 10 years. It is a very young community with a median age is 20 years old and its growing with an expected rise this year between 5,000 and 8,000. Most who arrive through refugee programs or from other states see Minnesota as a place for upward mobility.

The challenge for the community is that it has the highest poverty rate than any other group in Minnesota and 64% of Somali children born in Minnesota live in extreme poverty. Health outcome reports places Somalis and the Native community at the bottom.

Warfa explained when he was working with the Margaret A. Cargill (MAC) Philanthropies a year and a half ago, he was approached by the U.S. Attorney Andrew Luger to discuss the role of the philanthropic community in addressing structural issues and at the time it was about security because Somalis were arrested and charged with attempting to join ISIS, and there were issues of sex trafficking. As a result, Luger mobilized the philanthropic community to come together with the business community to discuss their role in these issues and understand the challenges. They've taken a Human Security Approach which aims to address the root causes of today's crises, ensuring the rights and needs of people, and addressing the root causes of conflict: citizens who live with dignity and have hope for their future rarely take up arms or join extremist movements.

There's a very large Muslim community in Minnesota, but all those who attempted to join ISIS came from the Somali community. So what makes this group more vulnerable to recruitment versus other Muslim groups? To answer this question, they sought perspectives from the Somali community, law enforcement, school administrators and

main stream groups regarding: structural risk factors; the criminal justice systems; cultural risk factors; segregation/isolation; racism and xenophobia.

They discovered a lack of employment ranked as the most urgent need in the community, followed by education and then housing. Interestingly, 23% of those who selected “other” were violence related indicating a lack of confidence and perception of community policing.

This vulnerable group is highly isolated both by choice because they gravitate toward familiar cultural groups and by circumstances for economic reasons, e.g., the Cedar Riverside neighborhood where almost every Somali starts when they come to Minnesota. This isolation is a very high-risk factor because it creates misunderstandings between the main stream community, the new community and various groups. Warfa displayed a chart showing the numerous pipeline organizations to help integrate Somali Minnesotans, e.g., African Immigrant Community Services, Confederation of Somali Community of MN, and Isuroon to name a few. The focus needed locally is the peer to peer relationship rather than from top down.

In closing, for many businesses, community members and parents who are concerned about security, Warfa believes what is missing is a positive, authentic working relationship between these groups. Some interventions have taken place and seven local foundations have funded this work to clear systems and make sure the infrastructure within the community is improved.

Because Cedar Riverside is an important neighbor, Collison advised the City is placing a lot of priority on improvements from streetscape to economic development and in the long term maybe building a big bridge. In the meantime, we have Samatar Crossing [in honor of Hussein Samatar]. Then he recommended to the audience to hire Warfa to give a presentation to their respective organizations to gain insight on this issue.

- **Security Considerations for 21st Century Businesses**

Glenn Sanders, Protective Security Advisor for the Minneapolis (Minnesota) District of the Department of Homeland Security (<https://www.dhs.gov/about-dhs>) Office of Infrastructure and Protection, explained the change in the 21st century is prior to 9/11 we probably would not have a chance to engage with someone like him at the federal level at a forum to specifically talk about security. What he hopes to accomplish today is to start the dialogue. He is a representative of the department that works in Minnesota and a resource for us. He works across both the private and public sector and they have developed a lot of capabilities since 9/11 to enhance security across the nation and he wants to make us aware of some of those as resources and he often fields a lot of questions specifically to the department.

Sanders niche is critical infrastructure protection and we represent a pretty interesting dynamic in terms of the infrastructure arena because we represent infrastructure whether it's a commercial office building or work in the real estate industry, own or operate a restaurant, all those in some shape or form represent a piece of infrastructure.

When you think about how your day started, woke up to the sound of an alarm clock, went into the bathroom and used the facilities, went downstairs and hopped on the computer to

check to make sure what time today's meeting was, stopped at the ATM because you didn't know if you needed money for lunch or for something after work, hopped on your smart phone once you got here to check your emails from work. All those little things — from the electricity to your alarm clock to the clean, safe drinking water that came out of your faucet, the ability of where you leave to discharge waste water, your computer's ability to connect to the internet, the ATM being able to talk back to your bank account — touch infrastructure that by and large the vast majority of Americans don't stop and think about what it takes to make it run.

When you talk about infrastructure from a dependency standpoint, electricity is probable one that comes to the forefront. When you think about your personal or professional life, if you lost electricity, telecommunications or water as a resource, it would have a major impact on your life and that is what he's here to do in Minnesota; to work with the folks who own and operate that infrastructure to make them aware of DHS concerns and where there are vulnerabilities and how to work together to buy down risk.

The DHS is very large; it brought in 22 legacy organizations when the department was formed. The Secret Service isn't new; it existed for sometime prior to DHS becoming an entity. One of the missions DHS was asked to do is coordinate the protection of our nation's critical infrastructure across all sectors and we have a broad portfolio of who we work with across the country.

The reason the DHS exists today was very centered on the threat terrorism, but as we come from 9/11, we recognize that we face a very diverse landscape of other threats from natural disasters and manmade and technological disasters. Since 9/11, DHS has recognized the need to be all hazards focused, and the more we can develop plans that deal with a variety of threats, the better our position we will be.

There is a National Preparedness Goal and the big change in a lot of the work they have done since 9/11 is recognizing the fact that many of things they're trying to do from a preparedness standpoint reflect a whole community approach and that's the message they are trying to promote across the country.

There are five specific missions addressed within the NPG (<http://www.fema.gov/national-preparedness-goal>), but he'll focus on the first two: (1) if we can **prevent** an event from happening; or (2) develop a **protection** strategy to mitigate or minimize the impact, we are in a better position than trying to respond to an event. We also need to be prepared for the last three missions as well.

There is a plan at the federal level for how we're addressing the infrastructure protection mission area that drives a lot of the programs and capabilities that DHS has developed since 9/11. The first version was written in 2006 and updated in 2013.

Sanders' program lives in a unique part of government that is wholly un-regulatory. All the resources and capabilities they've developed since 9/11 are voluntary and provide them to people who want to take advantage of them. Their partnership model, within the national infrastructure protection plan, really represents coordination of this effort across industry.

Sanders is often asked the definition of critical infrastructure; there needs to be a definition

at the federal level. As business owners, operators or private citizen, he asked us to think about the infrastructure we depend on. Then he listed some of the sectors across which he coordinates (<https://www.dhs.gov/critical-infrastructure-sectors>), the vast majority of which aren't owned by the government. The challenge is building effective relationships to ensure we're sharing information and a general understanding of where they have concerns regarding risks. At the end of the day, relationships are key to risk management and to truly understand risks they have to create a trusted information sharing environment.

Sanders represents a program that is in all 50 states, the District of Columbia and U.S. territories. Some of the missionaries they work in include conducting security surveys and gap analysis assessments and tailor visits to what companies want. They do a lot of outreach activities, today's event as an example, special large events like to the All Star Game and are in the early phases for Super Bowl LII, and response to domestic incidents like Hurricane Katrina and Hurricane Ike with a focus of infrastructure protection to help get businesses back up and running.

DHS also have a cyber infrastructure survey tool to prevent being locked out of your data as in the recent case of a Los Angeles hospital (<http://arstechnica.com/security/2016/02/hospital-pays-17k-for-ransomware-crypto-key/>). All of these tools provide some level of nothing stronger an option for consideration on how to better enhance your overall security and buy down some of those risks.

When you look at the landscape of how DHS tries to share information, he always promotes the Minnesota Fusion Center (<https://dps.mn.gov/divisions/bca/bca-divisions/investigations/Pages/mnjac.aspx>). It is a great resource, membership is free and there are a lot of great tools on the site. Sanders will forward to Collison his list of resources which includes their "If You SEE Something, SAY Something™" campaign.

In closing, Collison thanked Sanders for his presentation, Rock Hantge for her work on the recently launched newsletter, and the audience for attending.