

**Recap of Joint East Town Business Partnership and
Minneapolis Downtown Council Business Forum**

Thursday, June 16, 2016

11:30 a.m. – 1:00 p.m.

North Central University, Trask Word and Worship Center

1400 Elliot Avenue

Elliot Park Neighborhood of Minneapolis

- **Welcome**

Dan Collison welcomed the audience to the June joint business forum and thanked NCU for hosting. Then he introduced himself as the Executive Director for the East Town Business Partnership and the Director of East Town Partnership for the Minneapolis Downtown Council, roles which allow him to be the connector in the community and on top of topics as featured today. He directed the audience to the draft 2016-2017 Business Forum Series: *Keeping Up with the Speed of Change* placed at their seats to review and noted there would be no business forums held in July or August but to stay tuned for upcoming networking events. The 2016-2017 season kicks off on September 15th with *All Things Stadium* in partnership with the Minneapolis Downtown Council-Downtown Improvement District and the Economic Development Association of Minnesota and will be held at the Fire Club at U.S. Bank Stadium; a tour of the stadium will be included.

Collison then introduced NCU President Dr. Gordon Anderson who commented that it is a privilege to host this gathering of friends. He has been with NCU for 34 years and announced he will be retiring next summer on June 1st (<https://www.northcentral.edu/news/ncu-president-gordon-anderson-announces-retirement/>) after having watched wonderful development occur throughout this part of the downtown neighborhood and the renaming and branding of the area to East Town. We gather as friends and work and dream together to figure out how we can help one another succeed and make things better in our world. Anderson explained he has a three point job description, i.e., to meet, greet and eat, and it's the best job in the whole world. We are now meeting, he's done his greeting, and he's going to get started with his eating. In closing, he thanked the audience for attending.

Collison noted that NCU is an important part of the educational, social and economic fabric of the community; it owns a significant amount of land and resources in Elliot Park and has approximately 1,000 students and close to 200 faculty members and it is a privilege to have NCU part of the ETBP.

ETBP President Paul Mellblom introduced himself and explained that on June 2nd the Board voted to change its name from the East Downtown Council to the East Town Business Partnership to align with the new district name for the area comprised of Downtown East and Elliot Park; this resulted from a 1-1/2 year district branding process. There is so much vitality here and the district is undergoing dramatic change and the ETBP wants to capture and capitalize on it for all the businesses located here as well as for the people who work, live and recreate here. Many times we have talked about how we're the last neighborhood of the inner ring of neighborhoods surrounding downtown that is finding its stride and step in bringing a vital downtown experience.

He advised although the name has changed, the mission remains the same, i.e., promoting a safe, productive business environment and communication between business and civic leaders. As we transition into a new brand identity, we're still the same organization that relies upon the 70+ members, the leadership of Dan Collison and Chris Fleck, and others involved on the Membership, Marketing and Communication Committee who have helped the organization grow from 40 members when he first joined 6 years ago to over 70 now. This growth is a reflection of the vitality of the neighborhood and the ability of the ETBP to remain relevant to its membership. Mellblom concluded by thanking those who are members and encouraged those who are not to contact either Collison or Fleck directly.

Collison explained that the brand logo was developed by creatives at PadillaCRT who provided a tremendous amount of pro bono work on this process. The scripted “e” is about connecting the DE and EP neighborhoods with the green in the middle designating the Commons Park. There has been a \$1.5 billion invested around the Commons and another \$0.5 billion spilling into the respective neighborhoods; this is seen as an economic and equitable conversation that is bringing these two unique and celebrated neighborhoods into a regional whole.

- **Announcements**

Collison noted the following upcoming events:

- 2016 Aquatennial from Wednesday, July 20th to Saturday, July 23rd (<http://www.aquatennial.com/>);
- U.S. Bank Stadium Open House on Saturday, July 23rd and Sunday, July 24th (<http://www.usbankstadium.com/event/u-s-bank-stadium-open-house/>); and
- Community Connect hosted by Community Emergency Service on Saturday, August 13th in Elliot Park (<http://www.cesmn.org/>).

- **Growing the Minnesota Workforce through New and Innovative Means.** Collison explained how this topic came into being. He was in a meeting with former state economist Tom Stinson 3 to 4 years ago who raised alarms as to the future of the workforce in Minnesota. This made Collison wonder how we could overcome these challenging dynamics in Minnesota. This topic is on many people’s minds on all levels and we’re privileged to have some of the leading institutions and voices presenting today: Steve Cramer, President and CEO, Minneapolis Downtown Council and Downtown Improvement District; Peter McLaughlin, Hennepin County Commissioner for District 4; and Peter Frosch, Vice President of Strategic Partnerships at Greater MSP. After providing a brief biography on each presenter (<http://edcmpls.org/june-16-business-forum-at-north-central-university-growing-the-minnesota-workforce-through-new-and-innovative-means/>), Collison introduced each in turn who presented their perspective on the topic.

- **Topic Overview and MDC Perspective.** Steve Cramer explained this is the second event that has brought the ETPB and the MDC together reflecting a 2-year formal working relationship which he is happy about. He extended thanks to NCU for its hospitality and special thanks to Hennepin County’s Career Connections initiative and County Administrator David Hough who led the effort.

The title of today’s topic suggests something that is truly important, i.e., the time for analyzing and fretting about this issue is over and the time for specific action is at hand. Last year, Minnesota Public Radio did a story about our workforce challenge and reminded us we may have an overall workforce challenge in the region of up to 100,000 over the next 5 years. In the 1990s the Minnesota workforce was growing at a healthy clip of 40,000 people per year, but has been growing at about 1/5 of that rate lately and will slow even more as the baby boom generation ages and begins to retire. As the director of the Labor Market Information Office at DEED Steve Hines says, we’re facing a pretty prolonged time period in which employers will have a much more difficult time expanding and filling vacancies that occur as employees leave or retire.

The Itasca Project (<https://www.theitascaproject.com/>), a collection of leading CEOs in the state, reminds us that while overall regional population is projected to grow, the percentage that are working age will decline and simultaneously there will be a greater ratio of ethnic diversity among workers. By 2020, the workforce age population between 16 and 24 will be 29%, by 2030 will be 37%, and by 2040 will be 43% people of color.

This information well frames our challenge and opportunity; we need to attack and solve this question for economic competitiveness in our region and state, and to address equity and disparity concerns we know exist in our community to make it more possible for people who live in our region and state today have the training and education to plug into our economy and help many families become successful and contributing members of the broader community.

We also have to compete fiercely for the talented workers who may or may not be here now and have choices about where they work and want to settle and develop a career. We'll hear about responses to this full range of continuum workforce meetings from the speakers. As a business organization, this is a priority for the MDC as it will help member businesses both from the largest of the largest companies in the state to medium size and growing creative firms as well as help the whole community become economically healthy.

"Demography is destiny" was coined in the early 1800s and has been much repeated and rings true today. If Cramer had to identify with one thing that is most different about our community since 1979 when he came here to go to the university for graduate school, it would be the growing racial diversity and in the context of today's topic, our changing demography will influence our economic destiny without question and how we're going to shape that outcome is an important issue for all of us.

- **Hennepin County Perspective.** Peter McLaughlin commented the setting described in East Town is important to this topic. He has done a lot of work in the North Loop with Target Field and the amount of investment it has helped to generate and with the LRT and the amount of investment it has generated along Hiawatha and University Avenues. When he arrived in 1975 to attend graduate school, University Avenue has not looked as good as it does now at any time during that entire period and it's getting better every day; that's what happens when you have \$4 billion in investment not counting the football or baseball stadiums or LRT along that corridor.

This is the first time in his public life where the exodus of capital from the center of the city has been reversed and it is our job as a community to make sure we're smart about what that investment is and try and invite in as much as we can and help build a strong community for businesses and for people who have been left out of the economy. We're tying people into the workforce, economy and prosperity that we have in the region that has a lower unemployment rate than virtually any major region in the United States; this is an incredible opportunity for us.

HC is a major employer; 7,500 working for the County and another 4,500 working for the HCMC and for a long time have helped with the supply by providing funding for training of individuals. They also want to make sure to exercise their capacity as a source of demand for workers; in the next 6-7 years, 45% of this total workforce will be eligible for retirement which presents a challenge as well as an opportunity to bring in a new workforce. With the leadership of David Hough, Steve Cramer, and other members of their workforce council, they are working on an initial strategy to identify job opportunities within HC and among other employers to find jobs that are accessible to people in the community. They are also working with trusted intermediaries (e.g., Project for Pride in Living, <http://www.ppl-inc.org/>) to help prepare workers, and with their community college system (Minneapolis Community & Technical College, Normandale Community College) to provide credit granting courses to allow people to move into job openings (e.g., building operators, financial worker) that are in their workplace. They are reaching out into the community to diversify the workforce, to bring in people who can provide an effective face for county, and to provide jobs and disposable income for the community in which they live.

Beyond recruitment, training, and courses that grant credits toward a community college degree, HC is supplementing this effort by systemically making changes to what the job requirements are to ensure barriers are not in place that do not add to the quality of the worker or the job the worker does.

McLaughlin then advised he needed to depart and directed the audience to David Hough for the Q&A period.

- **GREATER MSP Perspective.** Peter Frosch presented their new talent retention and attraction initiative, Make It MSP (<http://www.makeitmsp.org>) that focuses on highly mobile professionals.

Workforce is one of the most important things in our whole economy and region because it is the outcome we're trying to produce. A highly skilled effective workforce that matches your economy's needs is really hard to achieve. If you can achieve that it creates the opportunity for growth and prosperity that can be used to solve all the other challenges in the community.

Today and for the past number of decades, Minnesota and the Upper Midwest Region had a very highly effective, well managed workforce and is our No. 1 competitive advantage. When GMSP is out around the country and world selling this area as a place to do business, workforce is the No. 1 issue; not weather or taxes but the strength of our people and we have what the economy wants. In this moment we have what everybody is looking for but looking ahead the challenge will be how to keep it because there are a number of different forces that are converging in space and time.

Labor force growth in Minnesota is approaching zero for the first time in its history; we've never lived in that reality. If the labor force isn't growing, it's extremely hard to create economic growth and opportunities that can be used in the rest of the economy.

They are seeing economic growth in this moment so the 100,000 person gap is starting to open within the next 5 years across all different skill levels. They are not doing a good enough job in the state and region of educating everybody up to speed and these are the population groups that are growing; it's a challenge for them in the highest order. They are also facing external competition in a way never before. MSP isn't the only place in the country that doesn't have enough workers and people know this is a place with a great workforce so every single day regions across the country are trying to recruit our people away. We've been great at keeping folks but that retention strength is beginning to erode. We have to do a better job of educating everybody in our society, to keep them here and to attract more people. The frontline of the human pipeline involves hundreds of different organizations and hundreds of millions of dollars.

In 2013, when they were doing a regional economic development strategy, there wasn't any plan on retaining people; they were developing attracting more in. In 2014, they convened a multigenerational and multi-sector Talent Task Force with a couple CEOs to: develop the case for action on retention and attraction, create a new brand that speaks to talent, and chart a course for action. They decided to focus on professional talent because of the multiplier factor, i.e., for every \$70,000 job and above creates an average of 3.5 additional jobs in the economy. The scale of opportunity each of these jobs creates across the region versus the multiplier factor of 0.75 for a low wage job is the reason why they focused on professional positions because it creates more opportunity for everybody. During this research they learned this region is the best in the country in retaining professional talent; more than the largest 25 metro cities in the country, yet we ranked 19 out of 25 when he comes to attraction so there is a communication problem. More people that work here knew why they never left than more people would come; that needs to be a bigger strategic focus of their work in this region.

They also focused on the migration of millennials because they are the most at risk to leave and the most likely to attract. When analyzing other regions, Portland was net over 40,000 millennials in 1 year and if they were to continue on that track over the course of 5 years they would have 60,000 more than we would. If our region were to maintain that level, we would solve 60% of the workforce gap through this one income stream alone.

Since 2014, they have been working with hundreds of organization in this region to create a scope for this retention and attraction initiative and it involves social inclusion, making it an easier place for newcomers to break in and stay, improving the retention and attraction for professionals of color, supporting innovative talent, and connecting talent to the community.

In 2015, working with employers and the community, they created tools (e.g., new website, U.S. outreach events, user generated content), are executing strategies, and have a great pitch, i.e., MSP is one of the few places in the country where you can find a range of career opportunities for you and your partner and enjoy a high quality of life that you can afford.

The approach they are taking is to focus on key populations, i.e., the people they're trying to attract (newcomers, professionals of color and tech talent) to learn what they need and want via focus groups and surveys and then to design strategies around those needs and wants.

Hough who stepped in after McLaughlin's departure noted there's a lot of heavy lifting by a lot of people then introduced Michael Rossman, Chief Human Resource Manager. To date they are pleased with the success of the Career Connections Pathways Programs. They've hired 400 individuals through it, either as interns or full-time positions. And to illustrate the exodus and retirement they are experiencing, last year he attended the new employee orientation and had the pleasure of meeting 1,400 new employees. Correcting McLaughlin's earlier estimate, they actually have a little more than 8,000 full time equivalent positions.

The biggest challenge in the PP is the job classes and determining where to focus; they have decided to focus on 15 of the 385 job classes. Individuals enrolled do not pay tuition and they need to commit, focus on the training, and work with organizations like PPL to obtain soft skill support.

On any given day, HC has 240,000 out of the 1,500,000 inhabitants that have open case files in the human services area and about 40,000 that are supervised under probation, a huge expense. When losing employees, how do you provide supervision and support? When Hough presented this proposal to the HC board and asking for seed money of \$200,000, he was asked what the return on investment is. Hough's response was if you take 8, 10 or 40 individuals off public programs and they become wage earners, buy their homes, pay taxes, that is the ROI. They are pleased with their progress and want everyone to borrow this model but there is a lot of work that can be done to fill the 100,000 gap. This is a bookend of what GMSP is doing; they're taking the talent we have in our community and providing opportunities to individuals who wouldn't necessarily have had the vocation to train and get into a job that provides a living wage with benefits. As a government employer they know they don't compete with the private sector on compensation, but they compete on mission and value and getting people who want to make a difference, e.g., Northstar which is serving residents.

Thereafter, the panel responded to question posed by Collison and several members of the audience.

- **Closing Remarks**

Collison thanked the guest presenters and the audience for attending. He reminded everyone there will be no ETBP business forums in July and August; however, the MDC has activities going on all

the time. The collective will reconvene in September. He appreciates the audience's understanding the joy of what's happening in the district; they are making connections, building relationships, and helping East Town become a complete community and everyone in attendance is helping to make that possible.