

Recap of East Downtown Council's Business Forum
Thursday, December 18, 2014
11:30 a.m. – 1:00 p.m.
Guthrie Theater, 818 South 2nd Street, Level Five Café
Downtown East Neighborhood of Minneapolis

- ***Welcome, Introductions and Announcements***

EDC President Paul Mellblom welcomed the audience to the December business forum and referenced the letter distributed at each place setting dated December 2014 that he and EDC Executive Director Dan Collison composed. This letter steams from a board conversation regarding how the EDC can be of service to its membership. One of the conclusions arrived at is to be a collective voice for issues of concern and to be able to influence development and changes in a positive way to make the district work well for all its members as well as for those who live, work and recreate in the area. Paul encouraged everyone to read the letter and to forward their thoughts to him and Dan via email by January 15, 2015. They will then forward those collective thoughts to the appropriate stakeholders in order to gain traction on those issues that are of greatest importance to the community.

Paul then thanked the host, Hillary Hart, the Guthrie's new General Manager who just moved with her family from North Carolina to Minneapolis this past October. Hart stated that she is delighted to see so many people attending the EDC business forum and looks forward to working with the organization.

Dan thanked the audience for attending, the Guthrie for hosting, and the platinum sponsors who provide a little extra fuel to help pay for staff, communications, and engagement:

- Allied Parking
- CenterPoint Energy
- Hennepin County Medical Center
- Kraus-Anderson
- Minnesota Vikings
- Mortenson Construction
- NRG Energy Center
- PadillaCRT
- Ryan Companies US, Inc.
- Valspar
- Wells Fargo

Dan then announced EDC's newest board member, Kelly Stenzel, Thrivent Financial's AVP of Corporate Real Estate Leasing. Dan advised that Thrivent has been a key member of the EDC for several decades and provided statistics warranting its juggernaut status in the district. Kelly stated that he is happy to be able to contribute to the efforts of the EDC. Thereafter, the audience introduced themselves.

Dan highlighted that John Miller, who mentioned Mill City High School, is working on opening a public school next fall somewhere in downtown, possibly at First Covenant Church or at a couple other sites they're looking at to give families living downtown another school option.

- ***District Branding Exercise.*** Dan is pleased the EDC is engaged with the 16-block metamorphosis of the district that includes the stadium, Ryan-Wells Fargo project, and what is now know as the Commons. To share key benchmarks about what's going on, the EDC's business forums have alternated between Mortenson Construction and the MSFA regarding the stadium project, and Ryan Companies regarding its mixed-use project with Wells Fargo.

Today, however, because the EDC board is also concerned about how it markets to one another, the region and beyond, and how these 100 blocks that comprise East Downtown fit together into a brand narrative that will bring value to the district and the development community, PadillaCRT, which has

granted it one year of pro bono professional services to work on developing brand essence for the district, will be addressing the following three key questions:

1. What defines an urban district and how do you brand such a complex and multi-faceted geographic entity?
2. What elements of brand identity, design, and strategy do we need to establish a brand essence bold enough to stimulate regional gravitas and intimate enough to reflect neighborhood individuation?
3. How do we build brand consensus with the other key stakeholders influencing the built environment (City of Minneapolis, Hennepin County, Metro Transit, residents, developers, land owners, EDC constituents, etc.) and then market that brand to the all of Minneapolis and beyond?

They assume that within that year great headway will be made toward creating a framework.

Dan then explained that Tony Barranco, VP of Development, Ryan Companies US, Inc., attended a 2025 Plan Development Committee meeting at which this was discussed. Barranco subsequently conveyed to Dan that PadillaCRT is working on its Downtown East marketing project and expressed a desire to be one of the voices that contribute to EDC's process so that there is alignment in efforts.

Barranco thanked Dan, Paul, and the legislative representatives whose leadership and support means a lot to the business community and advised when he realized the EDC was going to conduct its own branding effort, he wanted to make sure their branding wouldn't cut against the grain of what the EDC is doing. Ryan is trying to figure out what this whole thing is because it's not just a building or a project, but a group of these components, i.e.: office use; 195 units of residential opening in the first, second and third quarters of 2016; the Commons; hopefully some hospitality; street level retail; and additional development.

Ryan feels they haven't done a good enough job telling the story about what is Downtown East; it's a critical point of connection between Elliot Park and the Mill District, between the stadium and the CBD, and will add elements that weren't there before — the Commons, skyway, and north/south connections. Beyond the specific project objectives Ryan wants to achieve with its branding campaign, it doesn't want to lose sight of the overall branding and mission of the EDC and wants everyone to know it is firmly on board with a seat at the table of EDC's process. Ryan will also be making its own investment in additional site materials to ensure it is presented well during construction transition. Additionally, Ryan wants to do some social media to create positive buzz without alienating EDC's or the individual branding needs of the components of the project.

Thereafter, Dan introduced Tom Jollie, SVP of PadillaCRT, who led the audience in a brief branding exercise to help them discern what they think the district should be.

Jollie, who had distributed blank cards to the audience, advised that they are now in the process of developing the brand narrative and promised that the process will be inclusive, thoughtful, intentional and very creative. Then he posed the following question, the responses to which were to be written on the blank card and subsequently collected for collation: What are the biggest challenges facing East Downtown? Then he shared the outcome of a similar temperature taking exercise conducted recently that will guide their process going forward:

1. Integrating and creating a common vision/name/brand/image for a neighborhood with a very diverse mix of uses.
2. Being known as more than a stadium district.
3. Establishing a distinctive neighborhood.

4. Creating a community with diversity (age, ethnicity and household income).
5. Letting large corporate entities dominate without an integrated sense of community.
6. Allowing political agendas to get in the way of what's best for the neighborhood.

Jollie shared the second part of the exercise conducted recently when he asked participants to describe what East Downtown will be in the next 5 to 10 years. Responses were distilled into the following visioning statement:

In 5 to 10 years, East Downtown will be a vibrant and distinctive urban neighborhood where people live, work and play. The park is a safe and friendly focal point with lots of activity during the day and into the evening. The neighborhood is family friendly and diverse in population. While it is a destination with the city, it is also a walk-able, street-level connector to the core of Downtown, Elliot Park, Mill District and the Mississippi River.

Jollie concluded by asking the audience to put a thumb up on the card being collected if they agree with the visioning statement or a thumb down if they disagree or to add any additional thoughts they may have.

- **Connecting East Downtown to All of Minnesota**

Dan introduced District 59B State House Representative Raymond Dehn, District 60B State House Representative Phyllis Kahn, District 59 State Senator Bobby Joe Champion, and District 61 State Senator Scott Dibble by providing biographies on each. Dan stated that these friends are incredible and what they are working on are bills that matter all the way down to the air we breathe. The complexity with which decisions and policies are made, often times in a very rancorous environment, is hard work for very low pay and he cannot thank them enough and hopes the audience gets to know them more and will support them in their work.

Dan then asked them to respond in turn to the following questions as well as to share their thoughts on what's happening: (1) Will post election commitments to bi-partisanship hold in the 2015 session? (2) What are the emerging priorities for both parties? (3) How will these priorities affect those who work and live in Downtown Minneapolis?

Prior to responding, each thanked the audience for its commitment to the community and the city and being involved in making sure communities are strong. It makes a huge difference in our quality of life because not every city has this level of community engagement.

Dibble. They are standing at the threshold of the upcoming 2-year budget cycle, 2-year legislative session. Circumstances have changed from the recent biennium in that the House of Representatives will now be in Republican majority so the speaker and committee chairs will all be Republican. The Senate will be a DFL majority and there is the DFL Governor. In response to the first question, his suspicion is yes it will hold and that bi-partisanship isn't of itself a bad thing. He's reading Tom Berg's book *Minnesota Miracle: Learning from the Government that Worked* that talks about very vigorous partisanship in terms of contests and debates and brinkmanship, but at the end of the day folks rolled up their sleeves, cut deals and got some pretty phenomenal things done on behalf of Minnesota. The book speaks about property tax and education reform that put Minnesota on the map. We've seen the breakdown of that in recent years with the polarization and extremism that has been brought into the political equation with the state government shutdown and a wholesale sweeping out of power of the folks who served as the majority then so he suspects folks in the other party have learned their lesson about overreach, extremism and lack of compromise.

As they develop the budget — less than \$40 billion general fund and another \$15 billion in other sources — the issue he will be working on as chair of the Transportation and Public Safety Committee is transportation as a priority. They last passed a comprehensive set of bills, investing for the first time in

transit ways in the Twin Cities metropolitan area and doing some work on roads and bridges in the aftermath of the bridge collapse in 2008 that came about as a function of an override of the Governor's veto, a package that was scaled back significantly in order to get to those override votes they needed on a bi-partisan basis. At that time they said they would come back sooner rather than later because they usually twisted around for 20 years until the resources and transportation system diminished to the point where we're moving backwards then after 20 years we do something new. We've reached that point in less than 20 years because we didn't do what we needed to do in 2008. He had a pretty good run at putting together a package and passing something out to the Senate a couple years ago. It didn't quite make it through the process on the House side or up to the Governor's desk. It was on everyone's lips during the election cycle — the Governor, all the gubernatorial candidates, the legislative candidates and leadership — and it continues to be the most important work the State needs to accomplish in terms of investing in our economy and building communities that work for all people and connecting people to jobs and opportunities. The proof in the pudding is the eating and it all comes down to the details. If you hear other rhetoric around "we can just make do with what we've got" or "maybe we can do some bonding for transportation" know that is false because the numbers don't add up; it's a one time shot and we need to do something that is sustainable in the long term and build transit ways through the metropolitan area, support our basic bus infrastructure and make sure we're tying land use. We're going to have a million people coming to the state over the next 15 years or so, 80+ percent will end up in the metro area, we cannot put them on the existing roadway infrastructure, there's not enough transit to accommodate them, and we've got to make sure land uses are more efficient so that people are closer to their jobs, services and educational institutions. That is the proposal they're putting together in conjunction with the Governor that will come out in a few weeks. He hopes they'll have a fruitful discussion with the other side. It will probably be ugly at first, but at the end he thinks they'll work out a package.

Kahn. She is the DFL lead on the Legacy Committee and one very exciting thing they accomplished is a legacy grant to repair the North Star Blankets historic sign [on the North Star Woolen Mill, listed in the National Register of Historic Places http://en.wikipedia.org/wiki/North_Star_Woolen_Mill] and she is also looking at using legacy funds to repair signs, fountains and other historical resources that have long been ignored and are clearly part of the city's legacy.

Another issue of importance she has been working on is bird-safe windows on the new Vikings stadium (<http://www.mprnews.org/story/2014/12/10/birds-vs-vikings-stadium-possible-fix>) and believes the Commons Park with the existing reflectivity of the glass will essentially be a killing field for migratory birds. She also believes there's a national group looking at a suit for violation of the federal migratory bird act and hopefully it will be solved easily without litigation.

Kahn has also been working a lot on the Women's Economic Security Act in the last year. Despite all the many good things they've done for the security of women and low paid workers, all the data shows us we're doing very well and better than states that haven't done so, e.g., minimum wage without a TIF credit. Looking at the case before the Supreme Court, Minnesota just recently has given some good benefits to pregnant workers; it dealt with the case in state law that is now up before the Supreme Court. Then she announced the upcoming Women's Economic Security Summit on Thursday, January 29, 2015 at the Kelly Inn in St. Paul. It will be a discussion and call to action on policies needed now and in the future to break down barriers for women. For more information, visit <http://www.mnwesa.org/>.

Kahn isn't afraid of being a minority; the most important piece of legislation she passed that she worked on since 1981 and got done in 2011 was the integration of all the computer systems in the state into one silo instead of 38 separate silos so if you pick your issue right you can get people on both sides to work on it. Timing is also important. Her chief author on this issue was Keith Downey, now chair of the Republican Party, and she pointed out to him that this is the one year we can do it; all the commissioners and committee chairs are new and they don't know what a big turf issue it is. If we move fast we can do it. And they did it. Just pick your issues and move forward.

Dehn. He has been in the majority these past couple years and is about to enter a new realm. He has made an effort to work in a bi-partisan manner in the House in that every bill he has authored he extended an olive leaf to Republicans to engage in a conversation and sign on. There is clearly an opportunity for getting some work done and we have an election in 2016 so some of the things are going to be predicated on how the new majority in the House feels it's going to impact their ability to be in a majority beyond this 2-year term. Early on we'll see a lot of pushing, shoving and jockeying, and we'll hear some things in the press that will make you conclude they're not going to be able to do anything. Generally, a session will start that way but as we get towards the end they'll have to make decisions.

He's been watching this part of the city for a long time and it is exciting to see the transformation taking place. There're a lot of conversations about what types of housing there's going to be in this part of city. When some say this isn't the right side for affordable housing, he reminds them of the affordable housing that 80 percent of the people who live in this part of the city are unaware of. Any project done right can be a good community neighbor to all who live here and the richness of this community is going to create a long-term viability. There are great assets here such as the Mississippi River and how this community capitalizes on its assets is going to be incredibly important.

It is good to hear that we're moving into this biennium with a \$1.1 billion surplus, but about three quarters of it gets eaten up by inflation so when we think about how much money we actually have to do things with, what we hear may not be exactly be the reality of what we're working with. It is also good to hear that today unemployment for Minnesota is down to 3.7 percent versus the national average of 5.8 percent, however black unemployment in Minnesota is over 11 percent so we have a lot to do to make sure that the recovering economy affects everybody equally. Dehn thinks there will be lots of discussion at the capitol about how we consider all the people in many different areas including transportation because the needs in rural and greater Minnesota tend to be a lot different than the needs in the metro area and if we can't have a conversation about these different needs, that's when we start to get into trouble.

Champion. He believes the notion of bi-partisanship will hold and it is what he has worked a lot on while in the legislature, e.g., the "Ban the Box" bill he chief authored with Republican support and deep involvement from the business community addressing employment barriers to people who have criminal records. It passed the House and Senate with overwhelming support of both parties.

Also, last year he was the chief author for the "Second Chance Expungement" bill creating a more thorough mechanism for reformed offenders making it easier for them to secure good jobs, access quality housing, and provide for their families. Initially, he worked as co-chair on a House and Senate bi-partisan group and came to a place where the bill was put forward. Throughout the entire committee process, not only did he work with Democrats and Republicans but with law enforcement, county attorneys, as well as the business community. As a consequence, a variety of voices contributed to the finished product. Since that time he has talked with more lawyer groups, second chance groups and business owners.

Champion believes a common theme we'll hear a lot about is some people will intentionally pit metro folks against rural folks. However, they are committed to finding a common ground and figuring out ways to frame issues so they can work on legislation that will benefit all. He thinks they did a great job of supporting our rural members and communities.

Champion is Vice Chair of the Finance Committee, serves on the Judiciary Committee and this year will also serve on the Commerce Committee. He is proud to say that he also serves on Transportation and Public Safety under the leadership of Senator Dibble. It has been a rewarding and helpful experience because they talk about how do we support our infrastructure as it keeps deteriorating, how to make the necessary investments in order to improve its quality, and how to expand the transportation in a way

that is responsible.

One of the things important to him as well as the business community include education, graduation rates and how to continue creating learning environments that are developing curriculums that align with the skill sets for what businesses require. In Minneapolis African Americans are only graduating 43.4 percent, whereas in St. Paul it is a little over 50 percent so when you begin to look at the numbers and achievement gap, and put that in the context of the changing demographics, we need to figure out how to create an opportunity for people to be educated, prepared to lead, and able to do the necessary things to improve our quality of life. Also, as co-chair with Minnesota Senator Julie Rosen of the legislative oversight committee for the Vikings stadium, he is concerned about the stadium.

When we think in terms of the budget, of the \$1.1 billion we put \$183 million in reserves because we said it is important fiscally to save. The last biennium we had control over there was a \$38.4 billion budget so there will be discussion as to whether it will remain consistent or rise or fall. Champion believes the budget should reflect their priorities, therefore he'll work to make sure that whatever investments are made will improve the quality of life for all in a fair and equitable way.

Dan then allowed the speakers to entertain questions from the audience, the first of which he threw on the table: How can we leverage all that you're working on to create a part of downtown that is for everybody?

Dibble explained that the reason why they do these basic public realm amenity and infrastructure investments is so that the market can come in behind and build what the market is looking for. We know if we're going to compete as a metropolitan area for the emerging and young workforce who are looking for urban vibrant cities, we have no choice but to figure out where to make the public infrastructure investments in order to build transitways like LRT, bus routes, etc. Coming behind that they're building mixed-use green spaces to create vibrancy on the street level that young people are looking for. The tools they have for doing so include the basic investment in building transitways; using some form of value capture such as TIF or matching grants; working with local communities so that they're doing the kind of master planning necessary; and putting in the amenities supporting that kind of development. There is a lot of discussion around tax policy and how we treat surface lots and that is pretty controversial but is another policy intervention that we can take a look at.

Dehn explained that the 20s and 30s are selecting the city where they want to live then figuring out what is that job and many do not want to be auto-dependent. Up until recently, if you did not have a car in this region of the city you were left on your own so that is one thing we'll need to convey at the state capitol is the importance transit will play for the whole state to move forward. And, quite frankly, the metro region is the engine for the state and what he thinks will happen downtown and around the confluence around the Green and Blue Lines is going to be critical.

Champion added that we also want to make sure that empty nesters who want to live in downtown have the transportation options available to do so as well as for people looking for employment opportunities; it is an empowering conversation not a deficit conversation because the latter who may be public transit dependent support the infrastructure of public transportation.

Responding to Barranco's question about how the state works interacting with the cities and counties to help fund affordable housing, Dehn explained that through the Minnesota Housing Financing Agency (MHFA) they offer a variety of financing products and funding programs to support affordable housing. When you think of affordable versus a typical market rate development, there always seems to be a gap to make the project happen so their role is to help fund that gap. And many affordable housing requirements — if there's Housing and Urban Development (HUD) funding attached to it — generally are much higher standards than we build to code for market rate housing so they work alongside the city and county to make sure there is a balance of housing and as they build they hope to do so without

involuntarily displacing people who currently live in the area.

Kahn advised that one of the interesting projects going on right now is the Pillsbury A Mill that's being converted into a combination of affordable housing and artists' lofts. They have seen artists moving to the area helping, in a sense, to gentrify without raising the rates until they get pushed out.

Dibble added that through the MHFA they have a number of ways that they appropriate dollars, e.g., via subsidies helping nonprofit social service agencies develop transitional or supportive housing. Another popular initiative is the Economic Development and Housing Challenge (EDHC) Program that matches state dollars with community, private and federal dollars to provide funding to assist in the development of affordable permanent rental housing that supports economic development and redevelopment activities or job creation or job preservation within a community or region by meeting locally identified housing needs.

Responding to Al Swintek's request for further expansion on this city versus outstate conversation, the need for bipartisanship to get stuff done, and what strategies will be employed to bridge the gap, Kahn noted that part of the problem was bad communication because the last session did terrific stuff for outstate and the rural areas but somehow it wasn't communicated and the conversation was allowed to pitch metro versus outstate and that the House DFL was too metro involved. Part of overcoming that is getting people to understand what we have done and showing the amount of money that gets transferred from the metro area to outstate. The major problem was voter turnout; it was really down among the groups that support Democrats in the outstate area.

Responding to Paul's question, Kahn commented on things she'd like to see liberalized: Sunday sales of alcohol beverages; and lowering the drinking age because there's been serious problems with the 21 limit specifically in the university area. It's not eliminating the government but lessening the heavy thumbprint of government.

Dibble concurred and advised that he had a lengthy meeting on how they micromanaged the design and delivery of roadway infrastructure in a way that is more expensive and frankly forces us to design roadways that don't function for all its users so you pay more money for a worse outcome. He concluded that Paul's question speaks to a frame that they have to combat a lot; the perception that Minnesota is overly expensive and delivers to many services. The fact of the matter is that they've done a pretty deep dive on the numbers and discovered that they delivery state services fairly efficiently. Minnesota is one of the most efficient states in the provision of real estate, employees, and services on a per capita basis. They are also are pretty innovative in how they work with and cooperate with community-based agencies to deliver social services; they are delivered more effectively closer to the people served. They deliver some basic high-quality services that allow the state to be as successful and prosperous as it is.

Lastly, Champion commented that one of the things we should pay attention to is Minnesota Statutes 609.165 "Restoration of civil rights; possession of firearms." It talks about a person is unable to vote or possess a firearm until they have been discharged from probation. He is of the opinion that since Minnesota has longer probationary sentences and so many people are not going to prison and there is usually no correlation between the unfortunate thing they've done and their sentence, people who are not in prison should be able to vote and is something we really promote and push forward. Dehn commented that it is the right thing to do and helps to create good citizenship from individuals who have done something in their past that doesn't define who they are.

- **Conclusion**

Dan thanked the legislative representatives for their participation, the audience for attending, EDC President Paul Mellblom, and EDC Executive Coordinator Christie Rock-Hantge. Then he announced:

- The next business forum will be on Thursday, January 15th, 11:30 a.m.-1:00 p.m. at PadillaCRT. The topic will be *Green Ribbons, Downtown Parks and the Nicollet Mile: Outdoor Urbanism at Its Best* with Steve Cramer, Minneapolis Downtown Council President and CEO, and Peter Brown, Project Management for the Nicolet Mall and Commons Park.