

**Recap of Joint East Town Business Partnership and
Minneapolis Downtown Council Business Forum
Thursday, March 16, 2017, 11:30 a.m. – 1:00 p.m.
Day Block Event Center, 1101 Washington Avenue South
Downtown East Neighborhood of Minneapolis**

- **Welcome**

Dan Collison, Executive Director for the East Town Business Partnership and Director of Downtown Partnerships for the Minneapolis Downtown Council/Downtown Improvement District, welcomed the audience to the March joint business forum. He noted the ETBP is grateful for the shared staff program and strategy with the MDC/DID and he has the privilege of serving alongside its President and CEO Steve Cramer. Collison then thanked ETBP Board member and Day Block Event Center's (<https://www.dayblock.com/>) co-owner Jeff Hahn for hosting and encouraged the audience to explore his multi-enterprise, multi-story historic facility.

Collison explained the “East Town” phenomenon is a celebration of the work of many people in the audience, including the neighborhoods and City Hall, from which a visual concept has been developed as displayed on the screen and on the brochures placed at the tables. He acknowledged the pro bono work provided by audience member Tom Jollie, SVP at PadillaCRT, who he spent approximately a year and a half with developing the East Town brand they wish to share with the community; it is free and accessible at <http://easttownmpls.org/help-spreadthe-east-town-brand/>. Then he gave a shout out to Kraus-Anderson who first displayed the new brand name and logo at its block development construction site and invited the audience to use it on their projects and websites as well.

- **Upcoming District Events**

Collison announced the following events and encouraged the audience to submit to him their district-related activities:

- Downtown Minneapolis Neighborhood Association's Crime and Safety Public Forum on Monday, March 20th, 5:30-7:00 p.m., at the New Century Theatre (<http://www.thedmna.org/event/dmna-crime-and-safety-public-forum-on-march-20-at-new-century-theater/>);
- MnDOT's I-94 Improvement Projects (<http://www.dot.state.mn.us/metro/projects/i94brooklyncntr/>);
- Community Connections Conference on Saturday, April 1st, 8 a.m.-3 p.m., at the Minneapolis Convention Center (<http://www.minneapolismn.gov/ncr/CommunityConnectionsConference>) where there will be the opportunity to participate in the City's process to update its comprehensive plan, i.e., Minneapolis 2040 (<https://www.minneapolis2040.com/>);
- Elliot Park's Earth Fest (<http://elliottparkneighborhood.org/event/elliott-park-earth-fest/>) on April 20th, 4-7 p.m.;
- For other DMNA meetings/events, visit <http://www.thedmna.org/>; and
- For other Elliot Park Neighborhood, Inc. meetings/events, visit <http://elliottparkneighborhood.org/>.

- **Sponsor Remarks by NTH (formerly Nelson, Tietz & Hoye)**

Anna Coskran, Principal at NTH (<http://www.nth-inc.com/about/the-nth-team/>), commented she enjoyed coordinating with Ryan Companies to sponsor this event and then gave a brief background of what NTH does, i.e., a commercial real estate and project management firm based in Minneapolis focused on site selection for both existing properties and new developments. Their tag line is Real Estate + Property Management = Infinite Possibilities. Some of their clients here in Minneapolis that are near and dear to her they worked on with Ryan Companies include:

- Allina Health, which was in 13 separate sites in the metropolitan area, consolidated into one at the Midtown Exchange which houses the Midtown Global Market;

- RSP Architects' move from the North Loop to the historic Old Grain Belt Brewery in Northeast Minneapolis; and
- Star Tribune's 5-block sale to Ryan Companies that included the development of the Wells Fargo Towers, [East Town] Commons Park, retail, mixed-use, multifamily development and Ryan's new headquarters, Millwright Building.

Other clients in the area include Valspar, American Academy of Neurology, and the Minneapolis Foundation. NTH continues to be excited about and a part of East Town's redevelopment.

Coskran noted due to the great leadership of the Minneapolis Downtown Council and Mike Ryan, President of Ryan A&E, Inc., (<https://www.ryancompanies.com/person/mike-ryan>) who serves on the MDC's Executive Committee, East Town has been successfully reactivated and both organizations are strong proponents in giving back to the community.

Coskran noted she was accompanied by Russ Nelson, President/Principal; Paul Johnson, Principal, Project Management Services; and Heidi Schmidt, Director of Marketing.

- **Development Spotlight: Minneapolis Armory Event Center**

Collison lead off by quoting Governor Mark Dayton's remarks from the grand opening of the U.S. Bank Stadium last year, i.e.: "East Town represents an epic renaissance for downtown Minneapolis and the entire region." That redevelopment narrative of Downtown East and Elliot Park neighborhoods, now sewn together in this new collective we call East Town, is one for the ages and one we can give special thanks to the collaboration and team building he has done, along with many of you who are partners in getting that done.

A key piece of property that is part of the East Town renaissance is Swervo Development Corporation's Amory Event Center at 500-530 South 6th Street. SDC is the largest property owner, manager and developer in the Warehouse District. It specializes in historic properties with the most acquisitions being vacant properties in need of serious renovations others developers have passed on, e.g.: 510 Marquette; Uptown Theatre; The Mansion (formerly known as the Walker Library); Arctic Cat Headquarters in the Western Container building; and now the most notable, the Minneapolis Armory (<http://tcbmag.com/Industries/Real-Estate/Who-Is-Ned-Abdul>).

Then Nancy Aleksuk, Leasing Specialist, Tenant Relations, Interior Design at SDC, gave a construction update. Using a slide presentation, she noted that the iconic clock inside is still intact and will remain in place. The building experienced over a decade of water damage, dead vermin carcasses, broken windows, no heat and is in noncompliance. The challenge to historic buildings is figuring out how to modernize them, bring them up to code while honoring the historic architecture. When renovations are complete, this former parking facility will be a multi-use event center accommodating up to 10,000 people depending on configuration, with private suites, and two levels of underground parking for approximately 350 cars.

The National Football League is excited about this venue and thus, they plan to be open by Super Bowl LII.

For more information about the proposed renovations, visit <http://www.ci.minneapolis.mn.us/www/groups/public/@cped/documents/webcontent/wcmsp-190436.pdf>.

- **Leadership and Philanthropy by R.T. Rybak**

Collison introduced former Minneapolis Mayor and current Minneapolis Foundation CEO/President R.T. Rybak by providing a brief summary of his background (<https://www.minneapolisfoundation.org/r-t>

[rybak-named-ceo-and-president-of-the-minneapolis-foundation/](#)) and noted he is also Senior Advisor for Municipal Practice at Living Cities (<https://www.livingcities.org/people/rt-rybak>). Then he announced that Rybak's book, *Pothole Confidential: My Life as Mayor of Minneapolis* (<https://www.upress.umn.edu/book-division/books/pothole-confidential>) is available for sale at the rear of the room. Collison highly recommends the book and quoted from it: "I love Boston, but I also laugh about the insular lives my new friends from the east coast were living. Almost none of them had any idea what Minnesota was and they assumed I was from a barren frozen farm surrounded by tempest. It turned me into a zealous salesman for Minneapolis, memorizing every person I could think of who was born there, every product invented there. If someone made a crack about Minnesota or even the Midwest in general, I would fire back . . . as the city's hyper-caffeinated pitch man." Then he extended a hearty welcome to Minneapolis' hyper-caffeinated pitch man!

Rybak thanked Collison for his introduction and for his and the MDC's work they are doing for East Town. Then he acknowledged his colleague at the Minneapolis Foundation, Russell Betts, Philanthropic Advisor, who was in the audience.

Rybak followed with a brief history of how we got to this remarkable moment in East Town. One hundred years ago, people in this community said they would do something bigger than their own lives and put some money in a pot to do good things. Over time, 1,300 funds have been started at the MF by 2,100 people, and every year they distribute \$60 million-\$80 million out into the community, some in the multimillions and some much smaller. What they would like to do increasingly over time is to take that base and act not just like a foundation but as a philanthropic community and have it leveraged by all of you. They want to bring everyone together more on big issues, such as their event in May on climate, and closing the achievement gap in education that he worked on at Generation Next (<http://www.gennextmsp.org/>). He wants everyone to think about the issues they see in the community and bring ideas to the MF to ask their donors to invest in them. And any time a person sells a business and at the end of the year are in need of a tax credit, start a donor fund at MF at \$10,000 and up. They'll receive a tax credit and get to work with an amazing team of people like Betts who help figure out how to align that with the rest of the community.

East Town began decades ago by the work of the neighborhoods, especially those to the south and east who felt severed from the rest of the community by the freeways, not by how to get a stadium here. The West Bank was part of the area until swaths were removed by the freeways, Augsburg College wasn't considered miles away, and the Mill District (https://en.wikipedia.org/wiki/Mill_District%2C_Minneapolis) was a railroad yard largely abandoned by the lost industrial base of the city. The foundation for the redevelopment of the latter, the largest piece of public infrastructure in Minnesota, was laid by the City's Riverfront Recreation Entertainment and Cultural Committee on which he served and led by then Council Member Sharon Sayles Belton who later became Mayor, in partnership with the Minneapolis Park and Recreation Board and began with the installation of West River Parkway and continues to grow to this day.

Rybak then discussed the banning of left turns in rush hour on Washington Avenue and his vision to turn Washington Avenue into Washington Boulevard connecting downtown and the University of Minnesota. What stops this from happening is it acts as a freeway and there is no opportunity to slow traffic. To address this vision and the need to redirect rush hour traffic off of Washington onto 4th Street, the City developed its transportation action plan, i.e., Access Minneapolis (<http://www.minneapolismn.gov/publicworks/transplan/>). And when the I-35W Bridge collapsed, they were in tough negotiations with then Governor Pawlenty and held out for over a day until he agreed to state funding to redirect traffic off of Washington Avenue to get onto I-35W. Huge progress has been made, led by the Minneapolis Bicycle Coalition (<http://www.mplsbike.org/initiatives>) to get cycle tracks installed (<http://www.hennepin.us/residents/transportation/washington-ave-mpls>) separating traffic from bicyclists and sidewalk cafes.

Additionally, he began planning for a pedestrian connection from the West Bank into downtown, i.e.,

Samatar Crossing

(https://hiiraan.com/news4/2013/Dec/52731/minneapolis_mayor_r_t_rybak_s_last_act_west_bank_walkway.aspx), his last official act before leaving office which is just coming to fruition and something this group could grab onto and own. At the MF, he will help fund public art that celebrates the various immigrant groups that have settled in the area.

Rybak recalled when as a reporter his conversation with César Pelli, the architect for the Wells Fargo Center who is known for nuance and subtlety. Pelli's Pacific Design Center (https://en.wikipedia.org/wiki/Pacific_Design_Center) resembled the Guthrie Theater that was put in the middle of a neighborhood with 1- and 2-story buildings and Rybak commented to him he's all about context. Pelli told him to think about an Italian village by the water when a cruise ship arrives; it suddenly changes the context for everything and makes the intimacy of the small buildings even more so. What a beautiful way to think about architecture. In many ways, so does the new U.S. Bank Stadium and Rybak likes how it came out; three out of four sides are especially good and he thinks 10th and 11th Avenues are important connections and the story has yet to be written about how pedestrian they can be.

The most wonderful thing Rybak has heard out of almost any nonprofit in the community is that HCMC is looking at a project where they recognize how many of the homeless come into their facility with some form of brain trauma. The brain surgeon he spoke with is tired of fixing people up and sending them back into homelessness to experience additional brain trauma then return. HCMC is looking at a housing strategy that will allow them to stay much longer to get much better. This community has to continue to wrestle with homelessness in a larger sense and this type of thinking is exactly what needs to be done. And it's shocking that there's about to be federal legislation that could turn HCMC's emergency room into a Vikings game crowd, so working together matters.

Rybak further recalled when he was first elected Mayor in 2001, the City was in a budget crisis, and he was supposed to solve the Twins. Thankfully, Hennepin County led the effort and was phenomenal with the Twins Stadium which led to catalytic work in the North Loop. Hating sports economics, Rybak didn't want to get involved in the Vikings situation either when it came along because Target Center mattered more; it was the stadium done the way everyone wanted it done, i.e., let the rich owner build their own stadium. Marv Wolfenson (<http://www.nytimes.com/2013/12/25/sports/basketball/marv-wolfenson-87-dies-led-an-nba-rebirth-in-minnesota.html>), one of the original owners of the Timberwolves who made a lot of money, gave back to Minneapolis by bringing back NBA basketball and building the Target Center. However, Wolfenson lost a ton of money and could no longer operate TC when Midwest Federal Savings & Loan collapsed during the financial crisis. Mayor Belton and Council President Cherryholmes then went to the legislature for help but were refused. As a consequence, the City stepped up and placed the burden on the taxpayers, i.e., an approximately 2% annual property tax with a competitive clause.

How was all of this resolved? Unbeknownst to him, HC began working with downtown business leaders to locate the football stadium by the Minneapolis Farmers Market in a stadium district; based on his research he didn't approve of the idea. When this collapsed, the State was planning to take the City's sales tax revenue used for the Convention Center to help build a new stadium in Arden Hills when the bonds are paid off resulting in a billion dollar business moved out of downtown with our money. It was his job to understand the details and nuance and look at the big picture, so he jumped into sports stadiums, which he hated, and played offense. After gathering his team together, they looked at (1) what is the revenue that sales tax will produce; (2) what do we need to keep the Convention Center running; (3) what do we need to take Target Center off the property tax rolls; and (4) what would it cost for us to participate in the Vikings stadium. They did the math and figured they could do it and had a plan in pocket in case HC's plan collapsed. When HC chose not to move forward, he and Council President Johnson stood up at the capitol to promote the stadium by the MFM and were laughed out of the room. Slowly over time, it got through the legislature and City Council for where it is today.

Simultaneously, Wells Fargo who was in need of expansion space paid a courtesy call advising since there's nowhere to build they would do so in the suburbs. Rybak offered five options and named his

favorite. Soon thereafter Rybak met with the Star Tribune's publisher and head of the board of directors to discuss selling their land who then connected with Ryan Companies and NTH. They were faced with two issues: (1) Would the City Council ever pass it; and (2) no one would build anything around the stadium. Eventually, the whole process on the most complicated deal the City ever had went forward. By rough calculations, in the first year HC will make off of Wells Fargo \$1 million in property taxes; schools, kids and teachers will make \$1 million; and the City will make about \$600,000 and will grow over time. They negotiated a clause wherein if sales taxes exceed 2%, the City and the MSFA would split it. There are still people in town who will never forgive him for supporting the stadium. His response is he understands hating sports economics but it was one of the best financial deals the City ever had.

In the middle of all that, Jeremy Hanson Wilson who did an amazing job negotiating the Target Center with the Timberwolves, advised them that the Timberwolves and Mayo Clinic were thinking of doing a joint practice facility at the Mall of America; Rybak told him we won't support them if they did and, as a consequence to agreeing to come downtown, Block E was renovated for a joint practice facility.

Rybak then entertained questions from the audience. In closing, he read from his book about Jesse Ventura and two drunken firefighters.

- **Closing Remarks**

Cramer thanked Rybak for his insights into the day and life of a city mayor and his commitment to this community. He also thanked the forum's sponsors NTH and Ryan Companies for their presentations, as well as Day Block Event Center for hosting and encouraged the audience to stick around to get a head start on St. Patrick's Day and watch the Gophers game. Lastly, he thanked the audience for attending and wished them a good rest of the day.