

**Draft Minutes from the
East Town Business Partnership Board of Directors Meeting
Thursday, November 2, 2017
Thrivent Financial, 625 4th Avenue South, Conference Room 280
Downtown West Neighborhood of Minneapolis**

Present: Carina Aleckson, Jackie Barrett, Marc Berg, John Campobasso, Chris Fleck, Tom Hayes, Phil Huebner, Brian Maupin, Paul Mellblom Lynn Regnier, Kelly Stenzel, Carletta Sweet, Bert Winkel
Staff: Dan Collison, Christie Rock Hantge
Absent: Siyad Abdullahi, Tim Briggs, Elizabeth Campbell, Daniel Gumnit, Brooke Hajinian, Jeff Hahn, Varun Kharbanda, Tim Tucker
Guests: Angeline Earley and Zoe Thiel from the City of Minneapolis

I. Call to Order and Introductions

President Paul Mellblom called the meeting to order at 11:30 a.m., and thanked Kelly Stenzel, ETBP Board Member and Corporate Real Estate Leasing Manager at Thrivent Financial, for hosting. Then everyone was asked to introduce themselves which included guests Zoe Thiel and Angeline Earley.

II. Consideration of Agenda

The agenda was approved as amended removing Michael Vekich, Chair of the Minnesota Sports Facilities Authority, whose presentation is scheduled for the December 7th Board meeting (CS/CA).

III. Consideration of Consent Agenda

The consent agenda was approved as submitted which included minutes from the October 5, 2017 Board meeting; Treasurer's report which included the F2017 Budget vs. Actual as of October 31, 2017, and the Wells Fargo Bank Statement for October 1-31, 2017; Director of Downtown Partnerships for Minneapolis Downtown Council / Downtown Improvement District and Executive Director for East Town Business Partnership/2020 Partners' report for October 1-28, 2017; and Executive Coordinator's report for 10-01-17 to 10-31-17 (CA/LR).

IV. Presentations

A. Thrivent Financial Corporate Campus: East Town Redevelopment Plan. Kelly Stenzel advised their current headquarters was built from 1979 through 1981, and they moved just a block northeast from their former headquarters on the block where Ameriprise Financial Center now stands over the Thanksgiving weekend. Currently, there are 15 to 20 people, including the CFO, who moved from the former headquarters and are still with TF today, and will move into the new and third downtown Minneapolis headquarters.

There were a lot of pieces to the puzzle of developing their properties and building a new corporate campus that have fallen into place in 2017 which marks TF's centennial in downtown Minneapolis. It was in December 2012 when Kelly first began working on this project which led to where they are today. TF first had to determine whether it could develop its corporate parking lot immediately to the east of its 17-story headquarters building to continue to provide sufficient parking for its own employees. Then they received interest from Hennepin County to purchase their headquarters building, the biggest hurdle to overcome, which once approved enabled them to pursue alternative options for a new headquarters. And now they've hired HGA Architects to design their new corporate headquarters on the northern half of the full block to the east across 5th Avenue South.

Using a PowerPoint presentation, Kelly described how the transition in land use and the amount of surface parking lots in East Town changed from 2002, 2010 and 2017. This land use transition, the Park and Portland Vision Study (<http://www.parkportlandprojectmpls.com/>), and various master plans and market studies for East Town all factored in the master planning process TF's leadership undertook and the establishment of the following guiding principles for development:

1. *Commitment to a downtown Minneapolis headquarters.* Kelly plotted the home addresses of all employees throughout the 7 County metro area and within that area downtown Minneapolis was

the bull's eye, so it made sense to remain downtown and reinforced what leadership wanted to do.

2. *Contemporary workplace strategy for their employees.* Initially, they were focused on spending upwards of \$20 million to update their corporate headquarters building to current standards, but they will now use those funds for the new headquarters and design spaces more appropriate for the younger generation coming into the workforce.
3. *Commitment to Class A facilities* (<http://www.boma.org/research/Pages/building-class-definitions.aspx>).
4. *Optimize under-utilized real estate.* , i.e., pursue the highest and best use for their surface parking lots.
5. *Stewardship.* As a member-owned organization, they care about being good stewards of their members and community's resources and assets.

The potential site uses that were identified through the master planning process were:

1. Corporate Lot (the 1/2 block east adjacent to Thrivent headquarters): parking for Hennepin County (300-450), Thrivent (250 and any remainder stalls to be underground at new headquarters), and residential (40-60)
2. 625 Building (the 1/2 block Thrivent headquarters along 4th Avenue South): Hennepin County offices, potential public services
3. East Lot (the last undeveloped full block immediately to the east across 5th Avenue South)
 - Northwest and Northeast: Thrivent office opportunity, potential commercial at street and skyway levels, Thrivent/partner amenities (food, fitness, etc.)
 - Southwest and Southeast: office, residential, hospitality, Thrivent outdoor amenity
4. Smith Lot (1/4 block to west of Sexton): residential/affordable housing, commercial

In an effort to find parking solutions for its own employees, TF adopted a district approach with the following guiding principles: consolidate existing surface parking in a new structure to free up the balance of the surface parking; line above-grade parking with apartments; develop below-grade parking for new projects on East and Smith Lots; accommodate a variety of new uses 24/7; and drive utilization with professional management. As a consequence, 625 Development submitted its proposal for redevelopment of the corporate parking lot (<http://www.journalmpls.com/news/development/2017/08/developer-proposes-parking-apt-building-behind-thrivent/>) which will have above-grade parking lined with residential units, the first floors of which will have stoops for a nice public entry. TF is working with Metro Transit to have a built-in transit shelter near the residential and skyway entrance.

In furtherance of the Park and Portland Vision Study, to create active and vibrant streets TF will concentrate retail and public services at street level, create generous setback and enhanced streetscape, and emphasize active uses at the base of all new buildings.

Based upon an employee survey recently completed which indicated 30% of the 45% who drive, if given the opportunity, wanted an alternative mode of commuting, TF will also accommodate many forms of transportation by prioritizing pedestrians, integrating connections to transit, and providing specialized locked facilities for bikes. Currently, 4-5% of those employees who bike do so year round and that number doubles in the summer; Kelly suspects that number will double in the next 5-6 years.

TF wants its new headquarters to connect to both East Town and the CBD through pedestrian prioritized streets and well-designed skyways. The main entrance of their new headquarters will aim towards U.S. Bank Stadium with a beacon/winter garden connecting to the green space of the Armory

and other developments on the site à la the Kraus-Anderson design. And they're in negotiations with HCMC to extend the skyway from the corporate parking lot development east through the new headquarters to HCMC across Portland Avenue with a strong visual connection between the skyway and street.

The new headquarters will run east/west on the north half of the East Lot and to minimize where vehicles and pedestrians intersect and for a unified sense of arrival, there will be a covered center-block motor court. To keep the building marketable, there will be approximately 250 below-grade parking stalls. And because it is important to continue to have some form of eating experience for their employees, they are working with their security folks to keep the café open to the public.

Construction on the ramp lined with apartments on the corporate parking lot will begin shortly after the Super Bowl with a timeline of 10 months; and then construction will begin on the new headquarters in late 2018 with an anticipated timeline of 24 months. During construction, they will be leasing back their current headquarters from Hennepin County.

When more design changes occur, Kelly will share them with the Board

- B. City of Minneapolis New Small Business Office.** Executive Director Dan Collison advised he participates in the Business Advisory Group (<http://www.ci.minneapolis.mn.us/licensing/WCMS1P-133289>) which is comprised largely of small business association leaders from across the city for the purpose of providing a forum for business organization leaders, elected officials, City staff, and business owners to propose and consider business-related City policies and ordinances. The Small Business Office conversation began with Mayor Betsy Hodges [in 2014 subsequent to the awarding of the Bloomberg Philanthropies grant to foster investment and avoid unreasonable hurdles for businesses. Hodges recommended a new full-time Business Navigator position be created to help primarily small businesses navigate the complexities of starting a business in Minneapolis.] The BAG signed a petition asking for up to five navigators which the ETBP subsequently approved. Dan has been tracking the Small Business Office's progress and transformation into what it has become now.

Zoe Thiel, Innovation Team Program Manager at the City of Minneapolis (<https://www.linkedin.com/in/zoe-thiel-664166b4>) advised the budget for 2017 included 3 FTEs in the City Coordinator's Office to create this new Small Business team which includes herself and her colleague Angeline Earley, Program Assistant (<https://www.linkedin.com/in/angeline-earley>). The third position, previously filled by Erick Garcia Luna, is undergoing the hiring process.

While distributing their four language (English, Somali, Hmong, and Spanish) Small Business Team contact information, Ziel advised they exist primarily to assist small businesses in dealing with the City. They are taking business inquiries and requests for support on a broad range of issues, e.g., how the new Sick and Safe Time Ordinance applies to them, how to expand into a skyway location, how a business type that currently has no means and methods to be licensed and regulated can be established. This team can be the primary point of contact and intake on issues; it has relationships across the organization with City staff, CPED, Regulatory Services, Health, Public Works, etc. They can know a little about a lot of things and they know who knows a lot about detailed questions. They can be generalists across small business issues and make referrals and warm handoffs for more complex, involved technical questions. To get the word out about their services, they are first conducting corridor tours and door-to-door canvassing focusing primarily on where there are minority and immigrant owners and in areas categorized as "intervene" under the Great Streets Program (http://www.minneapolismn.gov/cped/ba/cped_great_streets_home), and this winter they plan to conduct skyway outreach. Thereafter they will outreach to all of the local business associations and technical assistance providers.

For more information, visit their soon to be launched website which will have industry-specific starter guides. They are still in the startup phase and are open to suggestions.

Dan advised Thiel will be part of the December 19th business forum on Innovative Business Models + Start Ups.

- C. 2018 Budget Review.** Dan Collison guided the Board through the projected income and expenses for fiscal year 2018 (<https://easttownmpls.org/wp-content/uploads/2017/10/2018-Budget-draft-10-28-2017-DC-REV.pdf>), accompanying notes (<https://easttownmpls.org/wp-content/uploads/2017/10/ETBP-2018-Budget-Notes-DC.pdf>), year-to-date income minus expense totals for each year since 2011, and bank account balances for each year since 2010. It is a general framework designed to clarify the day-to-day transactions; it's not fancy with accrual, just money in and money out.

For the last 4 years the proposed budget was based on growth with an expected draw from reserves, but since we did well it wasn't necessary. What is proposed is a nominal increase from the previous year reflecting an Executive Director increase of 5% from \$25,000 to \$26,250, and an Executive Coordinator increase of 3% from \$21,600 to \$22,248. The FY 2017 Budget was \$68,090, and the proposed FY 2018 Budget is \$68,223, not appreciatively different, but they are likely to make a significant draw from reserves of approximately \$5,000-\$10,000 this year and perhaps next if they're unable to get more members or find another means to fund the income gap.

Another level of concern with this economic model is that it doesn't address the larger conversation about what happens if the MDC were no longer a partner. In addition to the membership drive, the idea of doing a fundraiser this coming year is becoming a reality because we're reaching the ceiling on how many businesses we can engage, and we'll probably have to tweak membership fees, business forum fees and services to avoid running out of cash in a few years.

Paul recommended developing a list of strategies to raise the \$11,023 operating reserves draw. He's not averse to withdrawing from reserves, but believes we have enough organizational strength to creatively find ways to bring in the additional revenue needed over the coming year. In order to have a robust discussion at our next Board meeting, Paul asked the Board to first think through some strategies including, in accordance to our strategic plan, weaning ourselves off the financial relationship with the MDC. In the meantime, the Executive Committee will frame the discussion for that meeting.

Marc Berg asked for a short list of grant sources related to our programming. Lynn Regnier reminded everyone of the huge spread of community resources from the Minnesota Vikings all the way down to the neighborhood organizations, and to be cognizant that we're working to create more small businesses in the district many of which cannot afford the \$25-30 lunches on a regular basis and to take that fact into consideration while remaining welcoming to all.

This is a first past and anyone with questions should contact Paul and Dan directly in advance of the next Board meeting.

V. Action Items

No items required action at this time.

VI. Updates

- A. Executive Director Monthly Review.** Due to the time constraint, Dan forewent discussion of the 2018 ETBP-MDC/DID Shared Work Agreement (<https://easttownmpls.org/wp-content/uploads/2017/11/MDC-EDC-2018-Shared-Staff-Objectives.pdf>) until the next Board meeting [the work objectives contained therein were discussed and became a part of the 2018-2022 strategic framework, and the work objectives of the 2-year McKnight Foundation grant that was awarded].

- B. *Downtown Minneapolis Neighborhood Association.*** Carletta referenced her report included in the online Board package for November.
- C. *Elliot Park Neighborhood, Inc.*** No report was submitted.
- D. *Minneapolis Downtown Council/Downtown Improvement District.*** Dan announced the following upcoming events:
1. 2017 Holidazzle in Loring Park, Thursdays through Sundays beginning on Friday, November 24th through Saturday, December 23rd (<http://www.holidazzle.com/>);
 2. 2025 Plan Quarterly Forum on Development on Thursday, November 9th, 4:30-6:30 p.m., at the Shinding Event Space (<https://www.mplsdowntown.com/event/2025-plan-quarterly-forum-3/>); and
 3. A Morning with Steve Cramer Post Election Breakfast Roundtable on Wednesday, November 15th, 7:30-9:00 a.m., at the Minneapolis Club (<https://www.mplsdowntown.com/event/morning-with-steve-cramer-4/>).

VII. Committee Reports

- A. *Executive.*** Paul thanked those who submitted the Executive Director's performance reviews; he received 15 out of 21 responses which he has collated and will discuss with the EC at the next meeting on Thursday, November 16th at his office. Thereafter, he'll report those findings to Dan in December.

Meanwhile, the EC will continue to work on implementation of the strategic framework.

- B. *Board Development.*** Paul advised this committee hasn't met in awhile and no meeting has been scheduled.
- C. *Business Forum.*** Dan reported the 2017-2018 season is in place and he doesn't anticipate many changes to the topics. The Tuesday, December 19th forum will be on Innovative Business Models + Start Ups at Day Block Brewing Company.
- D. *Membership, Marketing and Communication.*** Referencing the Membership Report as of November 2, 2017 (<https://easttownmpls.org/wp-content/uploads/2017/10/ETBP-Membership-Report-11-02-2017.pdf>), MMC Chair Chris Fleck reported there are 55 renewed members, 8 new members, 2 carryover members from the 2016-2017 membership cycle for a total membership of 65 as of 10-31-2017. Also, there are 6 outstanding invoices and 1 invoice receivable on January 1, 2018. He described the 17 nonrenewed members who were comprised of all membership levels including individual and trade, and the 10 new members from January 2017 to date. Then he announced:
- Next MMC Meeting: Tuesday, December 19th, 10:15-11:15 a.m., Day Block Brewing Company, 1105 Washington Avenue South, in advance of the business forum. The agenda will include the membership drive and student interns for social media marketing and related administration.
 - Help spread the East Town brand by: (1) printing, signing and returning license agreement; (2) receiving logos; and (3) using ETBP logo on your company web and printed documents. Chris then displayed images of how NCU used it on their marketing materials for the Super Bowl 52 event.

Lastly, Chris distributed the 3-page Nov/Dec 2017 Membership Drive Invitation Assignments spreadsheet explaining this is a 2-month strategy to add 8 new members by extending an invitation (1) to become a member at each ETBP business forum/happy hour event; (2) to participate on the MMC; and (3) to participate on the ETBP Board. The Board has requested that we pursue more ethnically diverse small businesses within the district. Then he asked the Board to review the spreadsheet and let him know to whom they wish to be assigned and to submit any changes to the

prospective member's contact information to Christie.

VIII. Old / New / Other Business

In response to inquiries about what to do when someone encounters the homeless, Board Member and House of Charity Executive Director Bert Winkel explained they usually advise people to donate to organizations to help end homelessness, and for convenience they hand out business cards advertising on the face side their free public meals (<http://www.houseofcharity.org/resources/free-public-meals>) with an accompanying location map, and on the reverse side a list of their "Other Services." Then he distributed some of the cards to the Board.

Bert then announced that HOC has received a fairly large amount of the public funding for their new building; they are now at 50% (<https://www.bizjournals.com/twincities/news/2017/10/27/house-of-charity-plans-23m-project-to-expand.html>).

Jackie Barrett confidentially announced the Valspar signage will be coming down sometime in December and replaced with the Sherwin-Williams® brand in a similar format, not the bucket of paint pouring over the globe. However, Valspar will still be sold as a brand. The big project she is working on is relocating the SW laboratory in Chicago to their East Town location with an anticipated completion date of June 2018.

IX. Adjournment

There being no further business, the meeting adjourned at 1:00 p.m. (JB/KS).