

Draft Minutes from the East Town Business Partnership Board of Directors Meeting
Thursday, January 7, 2021, 11:30 a.m.-12:30 p.m.
Via Zoom Conference

https://zoom.us/rec/share/akOtbwbV_rGVXyA7YxlONBiTY0EBw0vL9kq6dzqr+1YHd2qm0AstAsbvGHW3nAB1.sJrycDuel9pByjOR; Passcode: n+ZvuJJ5)

Present: Carina Aleckson, John Campobasso, Amy Carlson, Vanessa Haight, Cyndy Harrison, Brent Hanson, Tom Jollie, Julia Lauwagie, Brian Maupin, Michael Noble, Rinal Ray, Kelly Stenzel, Reid Struck, Carletta Sweet
Staff: Dan Collison, Christie Rock Hantge
Absent: Jacquie Berglund, Charlie Boeckenheuer, Richard Kiemen, Deborah Moses

I. Call to Order

President Carina Aleckson welcomed everyone, called the meeting to order at 11:32 a.m., and asked everyone to introduce themselves when called upon.

II. Consideration of Agenda

The agenda was approved as submitted (RR/CS).

III. Consideration of Consent Agenda

The consent agenda was approved as submitted which included minutes from the December 3, 2020 Board meeting; Treasurer's report for November which included the F2020 Budget vs. Actual as of December 31, 2020, and Wells Fargo bank statement for December; Director of Downtown Partnerships for Minneapolis Downtown Council/Downtown Improvement District and Executive Director for East Town Business Partnership and NūLoop Partners' report for November 29, 2020-January 2, 2021; and Executive Coordinator's report for the period 12/1/2020 to 12/31/2020 (BH/JC).

IV. Presentations

A. Statistical and Practical Impacts of COVID on Restaurants, Bars and Hotels

Executive Director Dan Collison explained during COVID we have been seeking to support those industries in East Town that are most impacted. Social services – caring for our most vulnerable, and hospitality/tourism are the two in East Town that have been dramatically reshaped because of the pandemic.

To frame today's conversation around hospitality and tourism, Dan shared some data provided by Meet Minneapolis, the City's tourism partner contracted to promote all the remarkable features, assets, and businesses across Minneapolis (<https://www.minneapolis.org/about-us/>). According to its December 17th monthly webinar at which Minneapolis Lobbyist was the focus, the impact on hotel performance is back to May levels with the bumps being on weekends; however, suburban hotels are less impacted. In comparison to other crises that have occurred over the years, COVID is unprecedented. Meet Minneapolis is trying to work on forecasting and what Dan has heard consistently is it's going to take 2 to 4 years to get back to 2019 levels. Cancelled events have been staggering, and there have been an incredible number of restaurants that have closed either temporarily or permanently; the impact on downtown cannot be understated. This is a completely new reality and we're going to need to stay in this space of messaging around social distancing and cleanliness standards.

On the business side of recovery, in person meetings are preferred. Even facing the reality of the vaccine, mutation of the virus and other challenges, there is a desire to stay safe and continue to look for ways to create hybrid experiences so that there is a human factor.

Michael Noble, Innkeeper of The Normandy Inn and Suites (<https://www.linkedin.com/in/mike-noble-66223048/>), said to say the hotel business, which for them includes dining and banquet services, has been negatively impacted is an absolute understatement; it's devastating. The downtown markets across the country have been particularly hard hit because they depend on events that bring large gatherings of people together like concerts, sporting events, conventions, and weddings. Those big events and nonessential business travel are what drives the downtown hotel market and all of that has been shut down by Executive Order (<https://mn.gov/governor/news/executiveorders.jsp>). Although hotels haven't specifically been listed as businesses that can't be open, for all practical purposes, they've been shut down. Additionally, they've had the impact of the perceptions of very poor public safety. There are people who have cancelled here and around the city because the impression is, we don't have a police force, and if they come downtown, they'll be robbed and shot. That's the impression that exists among everybody in the state and surrounding area who don't actually have to come downtown. Comparing the March through December 2020 period to 2019, revenue for downtown Minneapolis hotels is down by 88% and it's unsustainable

unless you're funded by a Real Estate Investment Trust (<https://www.reit.com/>) or Wall Street hedge fund (<https://www.wallstreetoasis.com/faq/what-are-hedge-funds>). There have been hotel closures, e.g., Crowne Plaza Northstar and Le Méridien, and earlier in the year there were many others that were shut down temporarily. Michael thinks we'll see more closures and changes in ownership trending toward by major investment funds and away from local ownership. The Paycheck Protection Program loans have been phenomenally helpful and that is their salvation. The forgiveness terms have been very helpful because all hotels have essentially been shut down and they'll be able to access funds equal to 3-1/2 times their monthly payroll and that will help them keep going and keep people employed for quite a long time.

The Normandy's bookings are building, and cancellations are diminishing; however, every event from March 2020 through March 2021 was cancelled, and the Twin Cities Gay Men's Chorus (<https://tcgmc.org/>) annual event, a big citywide event which was rescheduled from summer 2020 to July 2021, has just been cancelled. They continue to endure cancellations of these big groups, but he's hopeful our professional sporting events will take place with full spectatorship starting with the Twins season this spring followed by the Vikings season.

Twenty nineteen was a good year, they'll have another losing year in 2021, they'll have a breakeven year in 2022, and as studies are showing they'll resume 2019 revenue levels by 2024. It's a tough path and there'll be a lot of dead bodies along the way. One hopeful point is they've had state stimulus, a kind of good little gift, but it doesn't mean much; it's equivalent to someone losing a \$100,000 per year income and receiving a \$500 state subsidy. Anyway, every little bit helps. Once all industry leaders and Meet Minneapolis feel that with the vaccine becoming more prevalent and case counts going down we'll start to see a meaningful rebound and reopening of hotels, restaurants, and all parts of public life.

Cyndy Harrison, Co-owner of Sawatdee Thai Restaurant (<https://www.linkedin.com/in/cyndy-harrison-b1a8b54/>), echoed everything Michael said, and for her the big point is she's really concerned about the small operators because she thinks a lot of them may not make it back; those spaces will be grabbed up by corporate entities. The shift away from small businesses and local leaders is going to be profound and that's where she sees things going and it's unfortunate. In terms of downtown like the skyways, she thinks the operators of whatever businesses were there will not make it, and when people return to work, we won't know who the new operators will be, and we may see quite a bit of vacancy for some time before people feel comfortable taking those spaces. She knows that Boludo is opening a second location in the former McKinney Roe space this month (<https://www.startribune.com/boludo-a-top-destination-for-pizza-and-empanadas-is-expanding-to-east-town/600005121/>) and that's exciting. It sounds like [Argentinian born chef/owner] Facundo DeFraia negotiated an amazing deal. She encouraged everyone to go there and check it out, and for Meet Minneapolis and the MDC to focus a lot on outdoor events and what we could do to drive people downtown, especially next summer because it will still be an amazing challenge.

Because DeFraia's restaurant will be located in one of the Wells Fargo Towers, Brent Hanson referred Dan to Tony Barranco of Ryan Companies (<https://www.ryancompanies.com/person/tony-barranco>) as the contact person for his Boludo video project.

Dan then announced his *Sawatdee Minnesota: Legacy and Innovation in Thai Food* video he did with Cyndy and her mother Supenn (<https://easttownmpls.org/video-gallery/>). When the time arrives, he'll go back to Michael to do a video on his suite of services including his beautiful Normandy Kitchen & Bar. Also, he'll be working with Ben Shardlow, Director of Urban Design at MDC-DID (<https://www.linkedin.com/in/benshardlow/>), on an emerging topic, property owners in the CBD having major concessions for locally owned businesses so they can be in their spaces and help activate it, which will hopefully ramp up to potential leasing and maybe even condo ownership.

Responding to Amy Carlson's inquiry about the viability of food trucks as an option to expand services externally, Cyndy explained in the past the brick and mortars were asked why go into the food truck space when the idea was to get into the brick and mortar space, but with COVID things have changed significantly. Brick and mortars are definitely thinking about moving into the food truck space to have the ability to attract more customers and be more mobile. Sawatdee is having that conversation as well. Since they've been working on getting more into the wedding space, having a food truck as an additional option is great, whereas before COVID it wasn't a conversation.

Referencing MN Adult & Teen Challenge's biggest fundraising event which is held at the Hilton Minneapolis where the average age is around 60 years (<https://www.mntc.org/virtual-gala-minneapolis-may-1-2020/>), Julia Lauwagie commented that even though they would like to stick with this year's booking, that generation is probably not ready to get back into space, so you have to rely on what people's comfort level is going to be even more so than being able to open up.

Carina commented the virtual component of events is probably going to be richer moving forward and finding creative ways to blend events when we're able to go back in person is going to be interesting to watch as it unfolds.

- B. Review of 5-Year Strategic Plan.** For the uninitiated, Dan explained Carina's presentation is based on the 7-page Strategic Plan he placed into chat (<https://easttownmpls.org/wp-content/uploads/2018/09/ETBP-StrategicPlan-2018-2022-Approved.pdf>).

Because the end of the term period for the 2018-2022 Strategic Plan is approaching, Carina advised the Executive Committee met over the past couple months to review it to determine what changes/updates were needed in consideration of COVID's impact, and today she'll present their recommendations for each area of strategic focus, i.e.: *Connection and Collaboration; Advocacy and Resourcing; Leadership and Voice; Sound and Sustainable Organization Structure*; and the new category of *Emerging Opportunities*. Today's presentation was just to review and refine the Strategic Plan, and then gear up for a full refresh a year from now.

Dan added in the past we've hired an affordable strategic planning facilitator [Trudy Ohnsorg of Cincinnatus] and spent half a day together [July 11, 2017] to dive deeper into the topics of importance. There's also this sense that we want to see, with great hope, the pandemic and its effects will be diminishing, and we can reorient to the emerging opportunities and base our updated 5-Year Strategic Plan on the new reality.

V. Action Items

None

VI. Updates

- A. Executive Director Monthly Overview.** Dan reported on the following:

- 1. Chameleon Shoppes.** Over the holiday season they attempted to mount an in-person, socially distanced Holiday Market at the IDS Center, but it got scrubbed. However, they did an effective virtual Holiday Market for their 23 women- and BIPOC-owned vendors (<https://www.chameleonconsortium.com/shopping-sprees/>); offered marketing video and product photos worth \$500-750; and offered \$100 grants to vendors to build websites for online commerce; and paid social media posts to vendors' page. Impact Hub Minneapolis, a strategic partner whose staff member Mia Canon (<https://www.linkedin.com/in/miacannon/>) does programming with Dan, offered a 1-year membership worth \$1,000 (<https://minneapolis.impacthub.net/>).

Also, they worked with the Roho Collective to create a holiday experience for their 12 BIPOC artists (<https://www.chameleonconsortium.com/retailers/roho-collective/>) which consisted of a custom made Square website; window display and in-store pickup at IDS Center; marketing video and product photos worth \$500-750; and free promotion through Chameleon channels.

Looking towards 2021, they're trying to program growth of long-term businesses by 50%; work with property owners to match them with emerging businesses – e.g., Coconut Whisk (<https://coconutwhisk.com/>) will open in the Young-Quilan Building in summer as part of the reanimation of downtown – and in Elliot Park and Downtown East; and increase website sales capabilities for vendors while continuing in person pop-ups.

- B. Downtown Minneapolis Neighborhood Association.** Carletta Sweet referenced her report as of January 7th on the Board Members Only web page.

- C. Elliot Park Neighborhood, Inc.** Vanessa Haight reported the following:

- 1.** The next Building, Land Use & Housing Committee meeting is on Thursday, January 21st, 6:00 p.m. (https://www.elliottpark.org/012121_bluh) at which they'll hear about Alliance Housing plans to remodel an existing office building at 700 10th Avenue South into 55 units of housing for low income and formerly homeless.
- 2.** The next Community Safety Committee meeting is on Monday, February 1st at 6:00 p.m. (https://www.elliottpark.org/020120_safety). They're trying to host these once every other month.

D. Minneapolis Downtown Council-Downtown Improvement District. Dan advised the deadline to apply for the Small Business Grant Program is Friday, January 15th (<https://www.mplsdowntown.com/small-business-grant-application/>). \$1.6 million has been collected with Target Corporation playing the lead (<https://easttownmpls.org/minneapolis-downtown-council-announces-small-business-grant-program/>), and thanks to Thrivent Financial for stepping up big.

VII. Committee Reports

A. Membership. Christie reported that right before the end of the year she made a fairly large deposit of about \$8,600 in membership dues; a few more checks trickled in between Thanksgiving and Christmas. There are a couple of memberships still in the process which will get us that much closer to meeting the projected budget for 2021. Overall, we're in a much better position than she thought we would be in about October 1st, so thanks to everyone. For the January report of renewals and nonrenewals, visit the Board Members only page on the website.

B. Executive. See Review of 5-Year Strategic Plan under Presentations above.

C. Board Development. Dan advised this Committee will be meeting on Wednesday, January 13th. They need to recruit five people to fill to have a full Board seated at the April meeting, and it's his perception that because Green Minneapolis no longer operates The Commons and has lost a substantial amount of their funding, will not be engaging.

Carina reminded everyone if there's anyone in their networks that would be a great fit for the Board, to reach out to John Campobasso or Dan. Eligibility requirements can be found in the Bylaws at <https://easttownmpls.org/about/>.

D. Business Forum Development. Dan reminded everyone of the *Women Leading in the Marketplace* forum coming up on Thursday, January 21st (<https://easttownmpls.org/etbp-business-forum-on-thursday-january-21-2021-at-11-a-m-via-zoom/>). They'll reset the March forum because Thrivent would like to wait until more people are around, tentatively for September. He's confirmed the CEO of Greater MSP [Peter Frosch (<https://www.linkedin.com/in/peter-frosch/>)] as the keynote speaker for the annual meeting in April.

E. Food & Hospitality. See Impacts of COVID on Restaurants, Bars and Hotel under Presentations above.

VIII. New / Old / Other Business

Christie announced a new plant store has opened in the former Faribault Woolen Mill space at 1029 Washington Avenue South: The Greenery Mpls Plant Shop & Mercantile (<https://www.thegreenerympls.com/> and <https://www.facebook.com/thegreenerympls/>). She urged us to give them love and hopefully we can get them engaged at some point with this group. Dan has them, as well as Boludo's, on his list to reach out to and get them on camera.

Michael announced today they engaged some of their staff after the Governor's loosening of restrictions yesterday, and they'll be back up and running within 2 weeks. They have a good online ordering platform and they're looking forward to being of service to us and our business associates.

IX. Adjournment

There being no further business, the meeting adjourned at 12:35 p.m. (MN/AC).