

Recap of the East Town Business Partnership Business Forum
The Triple Bottom Line of Businesses and Corporations
Tuesday, October 12, 2021, 12:00 p.m. – 1:00 p.m.
Hybrid: Canopy by Hilton Minneapolis Mill District, 703 South 3rd Street, and via Zoom

I. Welcome and Introductions

President Julia Lauwagie thanked everyone for joining, and to give everyone a few minutes to interact, she said Executive Director Dan Collison who was with her at the Canopy, will split the audience into chat rooms for a few minutes.

Then because this particular version of Zoom didn't have breakouts, Collison moved onto introductions:

Attendees at the Canopy

Daniel Jacobson, Pixelwerx
Tom Jollie, Padilla, ETBP Board
Richard Kieman, Sherman Associates, ETBP Board
Chris Sherman, Sherman Associates
Phillip Trier, U. S. Bank

Attendees by Zoom

Tyler Chapman, Allodium Investment Consultants
James Farstad, Minnesota Sports Facilities Authority
Dale Forsberg, Watson-Forsberg
Vanessa Haight, EPNI, ETBT Board
Brent Hanson, Wells Fargo, ETBP Board
Christie Rock Hantge, ETBP Staff
Cyndy Harrison, Sawatdee Thai Restaurant, ETBP Board
Chris Johnson, Community-based Transportation Planning
Roger Raina, National Item Processing
Rinal Ray, People Serving People, ETBP Board
Mike Smoczyk, Kraus-Anderson
Carletta Sweet, DMNA, ETBP Board
Al Swintek, CenterPoint Energy

II. Announcements

Collison advised the ETBP which has been supporting the community for 40 years, does a season of Business Forums, and the November 18th one will feature a panel of legendary hospitality leaders, owners, and operators in the East Town area who will discuss how to reinvent hospitality on scale now that we're in an endemic (<https://easttownmpls.org/etbp-hybrid-business-forum-on-november-18-offered-in-person-at-finnegans-and-online-via-zoom/>). It'll be another hybrid meeting at FINNEGANS.

Other important events in East Town include:

- People Serving People, the largest and most comprehensive emergency shelter for families in Minnesota, is having its annual gala virtually on Saturday, October 16th (<https://www.peopleservingpeople.org/events/annual-gala/>).
- Gamut Gallery, in the heart of Elliot Park, will be exhibiting Minnesota-based fine artist and illustrator Barret Lee's work in *Balancing Act* (<http://www.gamutgallerympls.com/2021/09/25/balancing-act-by-barret-lee/>).
- Comcast Corporation, one of the partners on the Minneapolis Downtown Council, is kicking off a grant program for BIPOC businesses (<https://www.comcastrise.com/> and <https://tcbmag.com/comcast-announces-grants-for-bipoc-business-owners-in-twin-cities/>).
- Mill City Farmers Market Winter Market will begin on Saturday, November 13th and continue through April 23rd on select Saturdays (<https://millcityfarmersmarket.org/>).

➤ The two neighborhood associations continue to meet via Zoom:

- Downtown Minneapolis Neighborhood Association's annual meeting is on Monday, October 25th (<https://www.thedmna.org/event/dmna-annual-meeting-on-october-25-at-6-p-m-via-zoom/>).

Its Civic Engagement Committee (<https://www.thedmna.org/dmna-committees/civic-engagement-committee/>) spearheaded the August 3rd National Night Out (<https://www.thedmna.org/event/dmna-national-night-out-at-the-commons/>); unveiled the Neighborhood Identification Signage project to demarcate Downtown East and Downtown West, the officially recognized neighborhoods in downtown (<https://www2.minneapolismn.gov/resident-services/neighborhoods/>), as well as the Gateway District ([https://en.wikipedia.org/wiki/Gateway_District_\(Minneapolis\)](https://en.wikipedia.org/wiki/Gateway_District_(Minneapolis))) and Mill District (https://en.wikipedia.org/wiki/Mill_District,_Minneapolis), two sub-neighborhoods within the DMNA district; and unveiled the Historic Signage Project for buildings (<https://www.thedmna.org/historic-signage/> and <https://www.youtube.com/watch?v=iUblvZanJkw>). This level of engagement and wayfinding is wonderful.

The East Town district is part of the flow and in a beautiful collaborative dance because there are many overlaps in the district, e.g.: it has two State House Representatives, Esther Agbaje for District 59B (<https://www.house.leg.state.mn.us/members/profile/15551>), and Frank Hornstein for District 61A (<https://www.house.leg.state.mn.us/members/profile/10767>); three new Council Members for Wards 3, 6, 7 (<https://vote.minneapolismn.gov/results-data/election-results/2021/>); and two neighborhood associations (Elliot Park and Downtown East); and in the midst of all that is the concentration of business corridors, so the ETBP works at bringing these communities together while elevating and celebrating the neighborhoods.

- Elliot Park Neighborhood, Inc. conducts Board, and Building, Land Use and Housing (BLUH) meetings and other activities. For dates and times, visit <https://www.elliottpark.org/>.
- Elevate Business Hennepin County (<https://www.elevatebusinesshc.com/home>) offers free advising and other resources to help businesses in Hennepin County recover from the pandemic and build for future growth.
- For help in navigating City Hall with your business questions, visit the Minneapolis Business Portal at <https://business.minneapolismn.gov/> which is designed to connect entrepreneurs and small business owners to the information and resources needed to plan, launch, and grow a business

III. Host Spotlight: Sherman Associations

Collison expressed his thrill for being at the Canopy and extended many thanks to Richard Kieman, SVP of Construction (<https://www.linkedin.com/in/richard-kiemen-86520a122/>), for being an ETBP Board member. Then he introduced Chris Sherman, President (<https://www.linkedin.com/in/chris-sherman-8014a221/>, <https://www.sherman-associates.com/news/chris-sherman-named-president-of-sherman-associates/> and <https://www.youtube.com/watch?v=WYGtVXdfX8>), who he has gotten to know over the years, and proclaimed Sherman Associates is leading the way when it comes to development in the East Town district which has had waves of development that first exploded with the construction of the multipurpose U.S. Bank Stadium and reinvestment in the adjacent ocean of parking lots into the 5-block Wells Fargo campus (<https://www.ryancompanies.com/project/downtown-east>). Sherman Associates was a key part of the second wave, and he would argue they are leading the third wave even as we're in this endemic.

Chris Sherman advised they've been active in this neighborhood for 22 years and are wrapping up the redevelopment of the block we're on in the next 12 months. They started with East End Apartments and Trader Joe's which opened in 2018, while simultaneously doing the historic renovation of what was originally the Advance Thresher/Emerson-Newton Implement Company that was renovated into offices in the 1980s, then Sherman Associates converted it into a hotel and opened it as the Canopy in 2019 (<https://www.sherman-associates.com/development/east-town-minneapolis-developments/>). He and George Sherman (<https://www.sherman-associates.com/news/george-sherman-the-patient-developer/> and <https://www.youtube.com/watch?v=y7Zp9NspU60>) live in the neighborhood and office next door; in fact they live, work, and play downtown and that's what they're trying to achieve for so many people. The objective and mission for their company is to create neighborhoods where people of all incomes and ages can live, work, and play. When they look at what's occurring in the neighborhood and across downtown, they have great opportunities, and plenty of challenges too, to see their vision through. They've been working very closely with many partners the last 20 years to play out their vision which is just a component of a broader vision for what this city can become.

The next 21 days are going to be important to see what the City can do in the coming years. Their plans are significant regardless; they're so invested in Minneapolis that they will continue to call this place their home for the next 43 years. They've been in Minneapolis for 43 years and 22 in this neighborhood. The next project they're moving onto is the J. I. Case building (<https://jicasebuildingmpls.com/>) where the Old Spaghetti Factory moved out of 2 years ago. Redevelopment was going to start in spring 2020, but of course the pandemic started and their plans changed. Initially Pinstripes was coming in, that changed, and now they have a better plan that they're moving forward with, and they're closing on the \$30 million financing package in about 3 weeks to start an historic renovation next door. There is 62,000 square feet of future space, they're adding a huge rooftop patio about 9,000 square feet with about 7,000 square feet of public space available to the anchor retail entertainment tenant. They're looking for the right user or users for the 13,000 square foot main level that would also lease a portion of the rooftop. The user for the lower level will be a speakeasy with a hidden entry off the side of the building. They're talking to fitness users and other groups to come into the neighborhood to further activate what's going on down here. This will be a further catalyst of what's occurring with retail, food, and beverage specifically at the corner of Washington and Park Avenues. All buildings in this block are connected by underground walkways.

They own and operate about 500 apartments in this neighborhood. Across the street they own the 118-unit Vicinity Apartments which is full but the two retail spaces are still empty and they have great prospects. They're hoping they can bring the Vicinity's and J.I. Case's spaces online next summer/fall so that they can give this neighborhood a huge boost in an area where we haven't had enough food options. They want to see this neighborhood as a spot where people can spend their whole evening with great amenities they can walk to.

They have another big development currently underway, a mixed-use project at Portland and Washington Avenues in the same block with Crooked Pint (<https://thedevelopmentracker.com/mpls/news/work-begins-on-portland-washington-mixed-use-project>) and https://lms.minneapolismn.gov/download/Agenda/492/RPT-PLAN10513_PortlandWashington.pdf/42637/1598/PortlandWashington). It will include three components: 240 market rate apartments in a 22-story tower; 92-units of affordable housing in a low-rise building; and a fire station which they'll deliver to the City before they tear down Fire Station 1.

Three blocks from this site, they're building a Moment Apartments, a 10-story, 220-unit that began in May 2021 that includes a 15,000 square foot Firefight for Healing Center component and the design finishes will include old artifacts taken from Fire Station 1 (<https://www.sherman-associates.com/press-release/sherman-associates-firefighters-for-healing-break-ground-on-moment-apartments-tower/> and <https://thedevelopmentracker.com/mpls/news/construction-update-moment-apartments>).

The downtown population is growing and we need more housing and tax base, so they're excited to be able to deliver not just more market rate housing but also more affordable housing which is their base business.

They are committed to this neighborhood mid and long term. Regardless of the outcome of the election in 3 weeks, they're going to be focused on working with their partners on moving the city forward collectively to deliver high-quality developments that will be here for the next several generations, not just from a construction standpoint, but also from a sustainability standpoint, thus they have developed, own, and operate approximately 50 acres of solar gardens (<https://www.facebook.com/watch/?v=1595414477178868>) which offsets energy consumption in 4,000 predominantly affordable housing apartments in the Twin Cities. All residents living in their buildings are subscribers to the solar gardens and a solar credit on their bill. Solar gardens is just one component, they are also building Passive House affordable units in St. Paul (<https://www.sherman-associates.com/news/sherman-closes-on-westsideflats-phase3/>). As they look at this neighborhood, they'll continue to focus on ways to deliver more energy efficient, sustainable developments that'll be here long after their lifetime. Also, there are a lot of good things to show off in this neighborhood, e.g., they have housing, hotel suites, Starbucks, opera shows coming into their hotel, so they welcome ideas for cross marketing to leverage the great work everyone is doing in this area to utilize it to the greater good of the city.

Lastly, in response to Farstad's inquiry as to whether all the housing being built in downtown can be what helps keep all the bars and restaurants open with the diminished use of office space, Chris said when he spoke at the Minnesota Real Estate Journal's 8th Annual Summit (<https://rejournal.com/eventpage/mndowntowndev21/>), he relayed who knows where the exact number will end up for the CBD office workers. It was 175,000, so let's say it goes down to 140,000 for stabilized office workers next spring/summer, the population growth for people living in the CBD has gone from 53,000 at the beginning of this year to 60,000 today based upon the data from all their peers, so if they look out over the next 5 to 10 years, it's a reasonable goal to see the population that's living, playing, and often working downtown grow from 60,000 to 80,000. So, it's necessary for them to utilize the population growth to infill for the loss of the downtown working population; it will more than offset the loss of 30,000 workers because people who

live downtown are spending more time downtown than people who work downtown. Also, infill can be accomplished by good conversions from office to housing and having more people living downtown can help stabilize and boost the food and beverage business.

IV. The Triple Bottom Line of Businesses and Corporations

Collison noted that being challenged some years ago by philanthropist Jay Cowles (<https://www.linkedin.com/in/jay-cowles-983b705/>) during the first wave of development, and through his building relationships with so many people on the call and beyond, he has come to appreciate and recognize it's people who are leading the community that enables downtowns to exist, be healthy and vibrant, and Phillip Trier, Twin Cities President at U. S. Bank (<https://www.linkedin.com/in/philliptrier/>), is one of those people.

Collison further noted that today's topic (<https://www.investopedia.com/terms/t/triple-bottom-line.asp>) is not a new movement but one where business executives are trying to lead their corporations in more meaningful ways. Then before delving into it, Trier was asked to share how he got into the banking business.

Trier noted he has had the privilege of serving on the Minneapolis Downtown Council for several years (<https://www.mplsdd.com/board> and <https://www.zoominfo.com/p/Phillip-Trier/1596673664>), and knows intimately well the work Collison does and he's definitely in his fan club. He's also grateful to be in the Canopy as well and he's energized. When one hears about the development that's happening and investment that SA is making in our community it's remarkable.

Then Trier advised for him banking is an accidental profession; he didn't have any family members who were in banking. He was at St. John's University studying economics and between his junior and senior year he stumbled upon an ad for an internship at U.S. Bank. He applied and got it which happened to be a credit training program in the basement of the Farmers and Mechanics Savings Bank which is now the Westin Minneapolis. That was his first introduction to banking and more traditional finance. He was offered a job and he spent his last year at St. John's working part time, and after graduation he started working full time and that was 21 years ago. That credit training program was an awesome experience to get into banking to understand the value they bring to businesses, building relationships working with the Shermans of the world, the CEOs, Presidents, CFOs, understanding projects and helping them to be successful, and it's been an incredibly rewarding 21 years. He was fortunate to have some amazing opportunities early in his career, e.g., he's been the Market President for the past decade and that's been an amazing experience to be engaged in this community in a significant way. He grew up in rural Minnesota but has spent the last 21 years in the Twin Cities. He has broader responsibility that extends across a big part of the U.S., but this is his home, they're a hometown bank where he spends a lot of his time helping markets, serving on boards, and have grown an affinity and appreciation for just how important banking is and the important role that banks can play in the community.

Responding to Collison's inquiry about how the banking industry has changed over the last decade, Trier said according to CEO Andrew Cecere (<https://www.usbank.com/about-us-bank/leadership.html>) who has been with U.S. Bank for the last 30 years, there has been more change in the last 3 years than the prior 30 and the pace of change has never been faster and it continues to accelerate exponentially, so thankfully the company has been making significant investments in digital and what the pandemic has done was pull the future forward in everything they do. Even for his parents, e.g., he's helping teach them how to do virtual calls with the grandchildren, order groceries online, taking advantage of all the digital opportunities which is germane to financial services. Think about what you can do on an app versus what you use to do in a physical branch location from applying for a mortgage and getting an answer within minutes to depositing a check with your phone; it's remarkable, so they continue to invest in digital in a material way and then of course they don't use as many branches.

Surprisingly, branches still play a big role in the way they do business and the way their clients want to interact which they learned through COVID. Most of their branches were closed for walk-ins, they had the drive-throughs for that. They would take meetings by appointment and there were hundreds up to thousands of appointments per week across the footprint. People want to sit down and talk to someone for advice when they make big decisions, so branches still play a big role but they don't need as many, nor as large, nor as many employees. They need more upscaling in training and more jack of all trades. They're on a digital journey that is not stopping and they're up to meeting the challenge. For awhile it'll be a combination of branch in person and a lot of digital.

Responding to Collison's inquiry about how a large and complex organization such as U.S. Bank operates under the TBL, Trier said a couple of things come to mind right away, one is unique to banking, and the other is unique to the region. Banking has always been a big part of the community; it's a reflection of the community and economy. If communities struggle, banks struggle,

they're joined at the hip. About 30 to 40 years ago every big bank in town had a community room separate from the actual bank where chamber and rotary meetings and celebrations were held, so they've always been part of the community. This is by far the most philanthropic community in the country and you hear that from people who come into the market and get integrated into the community which is unique. And what you'll hear from CEOs who move here is there's an accountability that comes with leading in this community and they obviously play a role in that. They're a big publicly traded institution but they're headquartered here on Nicollet Mall, a hometown bank, a Midwest company led by Midwest values that permeates across their culture and what's important to their culture is giving back to the community. They take a dollar on deposit and they can lend it out up to six or seven times; that's the power of leverage that goes into powering small businesses, cool development projects that Sherman just profiled, and it helps people navigate through every major milestone in their life.

The prior CEO and his personal mentor, Richard Davis (https://en.wikipedia.org/wiki/Richard_K._Davis), told him and others that banking is one of the most noble professions which he thinks is true because even though they don't make, build, or transport things, they empower everybody who does and when they help support small businesses, the job creators and entrepreneurs that make the economy run, and combine that with their philanthropy arm (e.g., renewable energy and low income housing credits) and add engagement with 12,000 employees just here in Minnesota, all that adds up to how they operate under the TBL.

Collison advised his deep community connection heightened as a Pastor for 30 years at First Covenant Church and continues as its Associate Pastor, as well as Executive Director of ETBP, and it was U.S. Bank that spearheaded the financing package (<https://www.startribune.com/east-town-apartments-near-u-s-bank-stadium-is-a-winner-for-working-class-residents/570863952/> and <https://lms.minneapolismn.gov/RCA/3005>) for the affordable housing project (<https://easttown.trellismn.org/> and <https://www.youtube.com/watch?v=iHar2w0rkVI>) built on FCC's surface parking lot at South 6th Street and Chicago Avenue which houses 300 new Elliot Park residents at 50-60% AMI. This incredible, highly needed project is in balance to the market rate projects, and through it he got to know some of SA's community development team and how that program works.

Responding to Collison's inquiry about how their foundations work to build community, Sherman explained it's not overly complicated. They do a lot of things companywide but they vow to be local and engaged, so in all their markets they have local foundations and he happens to be part of the one here and they give away about \$2.5 million a year to about 100 nonprofits. It's usually a (jeta?) no strings attached grant but to the extent they can engage with employees that's a win-win. It's one thing to give money but if they can give resources with it and get people embedded in those organizations whether it's through a board chair type position or volunteerism and activation, that's what they're trying to do, trying to engage in the community. The hardest part is they wish they have more money. There are so many people and leaders doing amazing things in the community they wish they could help more but what's interesting is the pandemic pulls you away from some of that work, it's an unintended consequence, so they have to continue to remind themselves they've got to give with their dollars, ability through volunteerism, and they can't lose sight of those organizations that need us the most. Lead in and lead large, it takes a village to do anything but they have to support the community to bring those dollars back.

Lastly, in response to Collison's inquiry for his personal perspective as to where TBL is going, Trier thinks the biggest part of this movement is if you think of the old pyramid, shareholders came first and employees somewhere after that. At some point, led a large part by this community, we flipped it and said employees need to come first, they're the foundation. If you have good people who do the work that are super-engaged and you train, support, and treat them fairly and equitably, they're going to produce great financial results and great community engagement. Putting employees as the foundation has made an incredible difference. Also, their employees have an incredible voice about where they want the company to go and engage. Part of what's driving TBL is what's their role in helping the planet and environment, and it's driven a lot of companies like theirs to be very thoughtful about environmental and social governance policies. Let's be transparent, clear, and own it. Products and services they build are driven by both employees and customers, and they want us to be engaged to bring those together. We're in a polarizing time, a 50-50 world in and outside of companies, so everything they do as a company has to be very thoughtful about how they go about this and not alienate half of their employees because there's always another side of view. We have to bring stakeholders together, and in their case, they have to bring a lot of people in the company together in a safe place to have a lot of dialogue, provide a ton of grace, and seek to understand and be understood. It has helped them and he thinks it's helping our community, and we could all use a little more of that as we plow forward together because ultimately, we want the same things.

V. Closing Remarks

Collison thanked Trier for being a part of this forum, and Chris Sherman and the entire team for hosting at their incredible hotel. Lastly, he wished everyone who joined by Zoom a great rest of the weekend and to join us again next month at FINNEGANS.