

DOWNTOWN MINNEAPOLIS NEIGHBORHOOD ASSOCIATION

Minutes from the Board Meeting on Monday, July 17, 2017
Mill City Museum
710 South 2nd Street, 6th Floor ADM Room
Minneapolis, MN 55415

I. Call to Order and Introductions

Chair Joe Tamburino called the board meeting to order at 5:45 p.m.

Other Board members in attendance were:

Jennifer Bernhardt
Kevin Frazell
Pamela McCrea, Vice Chair
Travis Nordgaard
Tomek Rajtar
Carletta Sweet, Secretary
Dianne Walsh, Treasurer

Board member Stephanie Hill was absent.

Staff member Christie Rock Hantge was also in attendance.

Guests in attendance included:

Ayianna Kennerly, Minneapolis Neighborhood and Community Relations
Chuck Lutz, Minneapolis Community Planning and Economic Development
Tom Novak, American Trio Lofts
Anita Tabb, Minneapolis Park and Recreation Board
Michael Wilson, Contractor to Neighborhood and Community Relations

II. Consideration of the Agenda

McCrea moved and Walsh seconded a motion to approve the agenda as amended to include a Staffing Report under Old, New or Other Business. Tamburino called for discussion. The motion passed.

III. Consideration of the Consent Agenda

Bernhardt moved and Frazell seconded a motion to approve the consent agenda which included the Board meeting minutes dated June 19, 2017; the F2017 Budget vs. Actual for the period ending June 30, 2017; and the Neighborhood Coordinator / Finance Coordinator staff report for June (Invoice #030). Tamburino called for discussion. The motion passed.

IV. Directing Accumulated and Future Parkland Dedication Fees to the Commons

Anita Tabb, President of the MPRB and District 4 Commissioner, explained she was asked by Rock Hantge to come and provide an overview on the recently passed Memorandum of Understanding between the MPRB and the City directing accumulated and future parkland dedication fees to the

Commons (http://minneapolisparksmn.iqm2.com/Citizens/Detail_LegiFile.aspx?ID=3513).

Tabb began by providing the MPRB's perspective, leaving the City's perspective to when CPED Deputy Director Chuck Lutz arrives. She explained that when the stadium deal was in process, there was discussion about having a new park built on its doorstep, but the question was to whom it would belong. The MPRB rejected the proposed operator's agreement the City put together because the new park would have (1) an adverse impact on its budget, i.e., it couldn't be maintained for less than \$400,000-\$500,000 annually and they knew they didn't have that amount in their budget; and (2) an adverse impact on their ability to serve all citizens due to the restrictions on public use in the stadium lease.

Under the City's charter [and pursuant to a subsequent lawsuit ruling the MPRB *must* own the park] the MPRB now owns and leases the Commons to the City for \$1 annually for the term of the Urban Park Use Agreement between the Minnesota Sports Facilities Authority, Minnesota Vikings and Ryan Companies US, Inc. (<http://www.minneapolismn.gov/www/groups/public/@clerk/documents/webcontent/wcms1p-134804.pdf>). Green Minneapolis, the nonprofit conservancy, through a contract with the City will continue its capital campaign and operate and program the Commons. However, to complete the Commons as envisioned, a significant amount of additional capital will be needed.

Therefore, Park Dedication Fees, funds made available through a joint City and MPRB ordinance that went into effect on January 1, 2014 (https://library.municode.com/mn/minneapolis/codes/code_of_ordinances?nodeId=PAREBOCOOR_CH15PADE), will be used to ensure the preservation and development of parks, playgrounds, recreational facilities, wetlands, trails, and open spaces in Minneapolis. Although Tabb was not crazy about having the stadium built, it has spurred significant housing development and increased the population in the area. PDF have been collected on all new housing units, approximately \$1,500 per unit, which goes into a special fund where it is held until approved for expenditure (https://www.minneapolisarks.org/park_care_improvements/park_dedication/).

Since the MPRB has a number of projects going on along the riverfront, there is potentially some contention for these resources. As a consequence, the City and MPRB agreed the PDF would go to the Commons up to \$8 million over 10 years (<http://www.southwestjournal.com/news/parks/2017/07/development-fees-could-fund-the-commons/>). Based on the number of units needed to reach \$8 million, Tabb is doubtful this will be achieved and a significant amount of private funds will still need to be raised. What they are trying to do is determine how many more users their parks will have to support in the next X number of years, and based on that amount is why they need the additional investment in parks.

Tabb then answered questions from the Board during which she explained how the PDF zone boundary defined by the MOU was drawn. Whenever anyone proposes a development project, they must go through the City and Planning Commission and it is clear when these plans come forward what spurred it to happen. To a certain extent, there's some art and science, but in this instance it was a result of the development happening around the new stadium and park, and generally all *new* commercial and residential development provide a PDF unless it is low income or affordable housing. Despite all these new projects being developed in the area, it will still be difficult to reach the \$8 million.

Additional conversation was held regarding events taking place in the park, specifically, about the "ugly" fencing erected during the X Games. Tamburino noted this was the first time a non-sporting event took over the park and it looked like a prison camp. Tabb recommended contacting Green Minneapolis, and then Lutz who had arrived recommended contacting SMG's local manager, Patrick Talty, General Manager of U.S. Bank Stadium. If the DMNA has no results from this contact, Lutz would then call Rick Evans, Executive Director for the Minnesota Sports Facilities Authority.

Lutz also explained they anticipate raising between \$1.5-\$2.0 million within the black PDF boundary, which must be used within the neighborhood or community parks in which they are generated, not

within the regional park system and thus cannot be applied toward the riverfront. The PDF will be used over time and revisited every 6 months as new development occurs. The MOU was approved by the MPRB last week and will go before the City's Community Development and Regulatory Services Committee on August 8th (<http://www.minneapolismn.gov/meetings/cdrs/WCMSP-202911>), and subsequently before the City Council on August 18th (<http://www.minneapolismn.gov/meetings/council/WCMSP-203668>).

Lutz noted there is a good news story they're telling about the whole Downtown East redevelopment project. Some have said this was the worse deal the City ever made, but the fact of the matter is of the \$650 million of public and private investment, the City's percentage is 14%, and 86% is new private investment or an additional \$14.3 million annually in taxes. Besides the economic gain for the City, the Commons is a community resource they wish to keep active and Green Minneapolis is constantly providing feedback on how it is being used and what the users want.

In response to whether the stadium deal relieved the City of the Target Center debt, Lutz explained that for good or bad, the stadium deal reconfigured how local sales and hospitality taxes funded the stadium and renovations at the Target Center which are currently underway.

To read Tabb's presentation, go to <http://www.thedmna.org/wpcontent/uploads/2017/07/MOU-Directing-Parkland-Dedication-Fees-to-The-Commons2c-20170628.pdf>.

For Frequently Asked Questions about PDF, go to <http://www.ci.minneapolis.mn.us/www/groups/public/@regservices/documents/webcontent/wcms1p-118221.pdf>.

The DMNA will host a community conversation regarding event logistics at the next Board meeting on September 18th. Rock Hantge will invite representatives from the Super Bowl Host Committee, as well as staff from the City Coordinator's office and the Commons.

V. 2016 Financial Review

As a follow on to his presentation to the Board on March 27th, Accounting Consultant Mike Wilson returned to report on the final draft of the 2016 Agreed Upon Procedures previously distributed to the Board (<http://www.thedmna.org/wp-content/uploads/2017/07/DMNA-Agreed-Upon-Procedures-May-2017.pdf>), which he believes is 99% complete.

First he explained the role he plays and the sense of accountability the Neighborhood and Community Relations Department has had for a long time. Going back to the beginning of the Neighborhood Revitalization Program, there was always a concern about instituting some form of accountability related to the use of public dollars. There have been a couple of high-profile incidents when things have gone off the rails, but for the most part neighborhood organizations have been responsible with their money as in the case with the DMNA which has active and engaged board members. Making sure board members understand their fiduciary responsibility is a big part of what he does.

There used to be a more intensive audit review, but lately because neighborhood associations have improved, they have been doing these Agreed Upon Procedures by answering a series of questions to ensure board members are on track in recognizing their fiduciary responsibility. The goal is to check in with these organizations about every 3 years. In reviewing the DMNA's responses to the AUP, what stood out is it has a special challenge engaging with the downtown community, and staffing the organization for either/or an administrator and a community organizer. He acknowledged Rock Hantge's skill set as an administrator, and noted NCR may have some ideas for obtaining a community organizer.

Regarding comments related to process and transactions, he advised ultimately that information is related to having good policies and procedures – which the DMNA has and Rock Hantge is working on a

more detailed list of financial procedures – and adhering to them.

Over the last couple years, one of the issues for neighborhood organizations is the idea of independent contractors. There is an exposure that exists when an independent contractor is hired; they could make a workmen’s compensation claim. Having them exempt should be incorporated into the contract.

For the most part, Wilson believes the DMNA is a well run organization and is in the top third of all the neighborhoods from an administrative standpoint, but needs to work on its community engagement.

VI. Outreach and Engagement Strategies to Diverse Populations

Aiyanna Kennerly, African American Community Specialist at the Neighborhood and Community Relations Department (<http://www.ci.minneapolis.mn.us/ncr/outreach/WCMS1P-143452>), introduced herself and explained she has worked primarily in Northeast Minneapolis. She stopped by to learn what works and doesn’t work for the DMNA in reaching out to its residents which she will then share with the entire Access and Outreach Team (<http://www.ci.minneapolis.mn.us/ncr/outreach/index.htm>) so that they can provide feedback.

Kennerly was advised that the DMNA has a sizeable (14%) Southeast Asian population; however, the DMNA disagreed and surmised its board is representative of the downtown population based on attendees at other downtown organizations’ events. Although the DMNA is aware of diverse populations – its largest community of color is African American and there is a large community of renters – its marketing strategies have not targeted specific groups and, based upon recent headcounts, unless there is passion about a specific project or issue, attendance at board meetings or forums remains low. Follow up with diverse populations who have attended also has been low due to reluctance to provide personal information.

Nevertheless, the DMNA through its collaborative efforts with other downtown and adjacent organizations (e.g., Elliot Park Neighborhood, Inc., East Town Business Partnership, Minneapolis Downtown Council/Downtown Improvement District, North Loop Neighborhood Association, 2020 Partners and more recently Cedar-Riverside) and having a Board member who resides in and is a representative for public housing, continues to reach out to diverse populations.

Kennerly offered some ideas about events that the DMNA could organize to attract a more diverse population, e.g., hosting a movie screening or public forum during Black History month, or looking ahead to next year, hosting a Juneteenth event (<http://www.juneteenthminnesota.org/>).

Further discussion ensued during which the DMNA described its other outreach strategies (e.g., surveys, Crime and Safety panel), after which Kennerly asked the Board to continue to brainstorm and to submit their ideas to her. Frazell commented it is unfortunate we’re unable to spend money on food as it would be a big draw to any event we could host.

Lastly, Kennerly promised to forward demographic information, contacts for free recreational facilities, what the NLNA has done to reach out, and ideas from the NCR to Rock Hantge to share with the Board.

VII. Land Use Committee Report

Kevin Frazell reported on the following projects reviewed at the July 11th LUC meeting:

- A. Thrivent Financial Corporate Parking Lot.** Art Bartels of ESG Architects explained they have been retained by Thrivent to develop a master plan for its surface parking lots east of its headquarters at 625 4th Avenue South to optimize their underutilized real estate.

They massed out “what if” scenarios and looked at putting a hotel on top of parking, office and residential uses as the City is encouraging density, and paying attention to the streetscape and the public realm. Because TF needs to maintain parking for its own use, the first phase of development will be a parking resource with a mixed-use facility with a restaurant, 4,500 square feet of retail on the corporate lot, e.g., a 2-story below grade and 7 above parking ramp tucked along the east side of the headquarters building lined on three sides with residential and connected to the skyway that crosses South 6th Street into the Government Center Ramp. Their other lots are not being considered at this time until a solution has been reached for workday employee parking as well as for use by others after hours and on weekends, but are partnering with Doug Hoskins to help develop the remaining sites. They are committed to remaining in downtown Minneapolis where all their corporate functions occur.

This was for informational purposes and they will return before the DMNA when their plans progress further.

- B. Century Plaza Redevelopment Project.** John Cuninghame of the Cuninghame Group, advised Doug Hoskins (a principal at Minneapolis-based Interstate Parking and a former owner of the Minneapolis Armory) of DEHL Properties entered into an agreement with Hennepin County to purchase the 6-story, 300,000 square foot Bedford limestone Century Plaza building on the nearly 3-acre, full city block at 330 South 12th Street. They plan to convert this pentagon-shaped property into 63 1-, 2- and 3-bedroom units of senior apartments on the two westerly sides and 86 hotel suites on the two easterly sides and keep the parking asset to serve both uses. The two facilities will also share amenities.

Metro Transit is proposing that bus service exit off of I-35 in a contra traffic lane onto South 12th Street in order to drop off/pick up in front of the residential and hotel entrances (<https://www.metrotransit.org/12th-street-ramp>). Construction would begin in spring 2018.

They just signed the first agreement and are in the early stages of design; it could flip to all senior housing, regular housing or all hotel, but this is the concept on which they’re currently focusing and will return when they’re further along with their plans.

- C. Brass Foundry Brewing Company Taproom Off Sale Growler License.** Dan Shrader is purchasing the property at 247 10th Avenue South from Astor Café and Jefe Urban Hacienda owner, Jeff Arundal, and investing \$6.5 million to improve it with a brewery (<http://www.citypages.com/restaurants/one-of-a-kind-downtown-minneapolis-house-might-become-a-brewerytaproom/439193163>). Built in 1911, this property was originally an electrical shop and has been subsequently occupied by two owners as residences, i.e., John and Sage Cowles and now Arundel, and thus has no historic designation. It is zoned B4N, Downtown Neighborhood District, allowing for both commercial and residential uses.

Shrader bought the two breweries in Delano (LuPine and South Forks) for the staff, equipment and experience with the intent of creating a walkable, bike-friendly (next to Hiawatha LRT Trail at Norm McGrew Place and South 3rd Street) destination brewery in East Town where he now lives at the Bridgewater, however, some parking will be available at Periscope. After purchasing the two breweries, he closed them to the public and hired a new head brewer, the only one in Minnesota history to win a platinum award.

Bruce Knutson is the architect. The architectural character of the existing structure will remain except for the garage where brewing will take place, however it will conform with surrounding buildings. Customers will enter through a large iron gate into a courtyard with a large mature tree. The first and second floors will have four distinct spaces with a bar, fireplace and bathrooms on each. On the second floor also has a stained glass room that will serve as an event center. The property will be equipped with a 4-stop elevator and will be ADA compliant. The 2,000 square foot open rooftop is canopied by the branches from the courtyard tree and will have a seasonal bathroom and, if the City permits, a gas-fired grill. If they acquire a music license, they will have easy listening-type music played on Saturday evenings. They will not be making food, i.e., which is a different license for a brew pub, but will have two food trucks that will vary. The only media they are talking with about this is Artful Living Magazine (<https://artfullivingmagazine.com/>) which asked to do a “start to finish” piece that will go along with its 10-page color article on East Town that will be released just before the Super Bowl.

The LUC provided a letter of support for the Brewer’s Taproom, Off Sale Growler license. This project will return before the DMNA when its property and streetscape plans evolve.

Following is a project also reviewed at the July 11th LUC meeting but inadvertently omitted from Frazell’s report.

D. TAVERN333 Expansion of Liquor License. Carolyn Butterfield and her husband took over ownership of the former Mona Restaurant & Bar on November 1, 2016 and changed its name to TAVERN333 (<https://www.tavern333.com/>). She owned a restaurant for 20 years and a specialty catering business for years before that so when Mona became available and they found it was profitable and the books were clean, she and her husband purchased it. They are open weekdays only from 11 a.m. to 8 p.m., therefore they only service office crowds and don’t believe they have enough business to open on weekends. Currently they have an On-Sale Liquor Class E license with a private outdoor patio (<http://www.minneapolismn.gov/www/groups/public/@clerk/documents/webcontent/wcmsp-187610.pdf>), but in order to take advantage of the spacious atrium and exterior green space and provide catering services for weddings and other events, they are upgrading it to Class B. They have a good relationship with the building’s management; their rent is based only on revenue and management is supportive of their plans to build revenue. Fine dining is somewhat dead in downtown Minneapolis; few restaurants survive and they are making the right menu choices for what the market wants.

The LUC provided a letter of support for the application to upgrade liquor license from a Class E to a Class B.

E. Other Project Updates

- 1. Depot Minneapolis.** Nothing new. The DMNA asked in an earlier letter for the landscaping plan to be part and parcel of proposal so that the DMNA would have an opportunity to comment.
- 2. 205 Park Avenue South.** Nothing new, but would like for Sherman Associates to share the next level of refinement related to the public realm (want to hold them to same standard as what was

done across the street at 200 Park Avenue).

3. **800 Washington Avenue South.** See letter to Emily Stern dated July 13th. Because the extended deadline for Mortenson to execute a redevelopment contract and closing date expired on July 5th, the LUC is requesting the City to issue a new RFP and, prior to drafting the RFP, to meet with the LUC to review development goals, vision and possible uses for the site.

Sweet moved and Walsh seconded a motion to approve the July 13, 2017 letter to Emily Stern regarding 800 Washington Avenue South as drafted. Tamburino called for discussion. The motion passed.

The next Land Use Committee meeting is scheduled for Tuesday, August 8th, one week later than normal due to National Night Out.

VIII. Old, New or Other Business

- A. **Neighborhood Cleanup Initiative.** Tamburino spoke with NLNA President Tim Bildsoe and was advised they will be having another cleanup event sometime in August or September and suggested both neighborhood organizations meet at Hennepin and Washington Avenues with NLNA cleaning along Washington Avenue moving to the west and DMNA cleaning along Washington Avenue moving to the east. Bernhardt volunteered to assist. More details to follow.
- B. **Mayoral and CM Candidates Forums.** Tamburino advised the Ward 3 City Council Candidates Forum is still on for September 12th, however, there hasn't been enough interest to host another Mayoral Candidates Forum as there have been and are several scheduled by other downtown organizations. Rock Hantge has promoted the event via the *Downtown Journal*, Facebook, Website, with other Ward 3 neighborhoods and adjacent downtown neighborhood organizations, and through the NCR newsletter.
- C. **Staffing Report from Exploratory Committee to Hire FTE Executive Director.** McCrea advised the Board has not proceeded since she and Frazell presented the feedback received from their meeting with Robert Thompson and David Rubedor at the Neighborhood and Community Relations Department at the April Board meeting. This subcommittee was tasked with delving into the current role, e.g., job description, billed hours, level of outreach, the City's needs, level of support needed by the LUC.

Tasked with examining staff structure of the other downtown neighborhood associations to understand the costs associated with an FTE or PTE Executive Director, Bernhardt summarized her and Nordgaard's findings presented at that same April Board meeting.

Both subcommittees have done a lot of work on this topic which fits well with discussions regarding strategic priorities, and findings from both subcommittees emphasized the need for better community outreach and engagement. However, since no decision has been made it will be placed on the September 18th Board meeting agenda. Board members were asked to share their ideas for implementing community engagement in advance of that meeting.

IX. DMNA Outreach and Collaboration Report

A. Consideration of Renewal of East Town Business Partnership Membership. Sweet advised this is the business and professional organization that complements the resident-focused efforts of the DMNA. Through its business forums, happy hour events and East Town Development Group, the ETBP is a convener of diverse stakeholders and advocate of the assets within the East Town district that is comprised of the Downtown East and Elliot Park neighborhoods. When asked by McCrea how the ETBP has a direct impact on the community in which she resides, Sweet explained it engages with key City, County, regional and national stakeholders to promote new development, attract new businesses and residents, and enhance the East Town brand on a nationwide basis.

McCrea moved and Bernhardt seconded a motion to renew the DMNA's membership with the East Town Business Partnership at the Diamond Level. Tamburino called for discussion. The motion passed.

B. Hennepin Avenue Reconstruction Task Force. Tamburino advised, in addition to the Hennepin Avenue Safety Task Force, he is serving on the HARTF led by City Principal Engineer Jenifer Hager, and it includes the following stakeholders:

Christy Bailey, Metro Transit Director of Bus Operations
Simon Blenski, City of Minneapolis Transportation Planner
Peter Hendee Brown, Architect, Planner, and Development Consultant
Steve Cramer, MDC/DID President and CEO
Don Elwood, Minneapolis Public Works Director of Transportation, Engineering, and Design
Chris Englemann, City of Minneapolis Transportation Project Engineer
Julie Stevens, Executive Assistant to CEO of Hennepin Theatre Trust

Currently they are meeting at Tamburino's office every second Thursday morning of the month, the next being on August 10th. Their task for the next year is to obtain community input about how Hennepin Avenue should be reconstructed; however, there are some things that cannot change, i.e., location of bus stops, flow of traffic, and bike paths. Thus far this project has received \$7 million from the federal government (<http://www.startribune.com/minneapolis-planning-16-million-makeover-of-hennepin-avenue/382127951/>). For more information about the project, visit <http://www.ci.minneapolis.mn.us/cip/future/WCMSP-172270>.

For a complete listing of the organizations and committees in which the DMNA is engaged, please reference the Outreach and Collaboration Chart prepared by Sweet included in the July 2017 Board materials on the DMNA's Website.

X. Adjournment

Frazell moved and Sweet seconded a motion to adjourn the meeting. Tamburino called for discussion. The meeting adjourned at 7:40 p.m.

Signed this _____ day of _____, 2017.

Chair

Secretary