



2020 Partners Business Improvement District Listening Session #1  
Monday, February 12, 2018, 3:30-5:00 p.m.  
HGA Architects and Engineers, Ford Center, 420 North 5th Street

## **Draft Listening Session Notes**

### **1. Welcome and Introductions**

2020 Partners Chair Nick Koch convened the listening session and thanked the audience for coming to provide input on this new initiative.

Dan Collison introduced himself as the Executive Director for 2020 Partners, Director of Downtown Partnerships for the Minneapolis Downtown Council, and Executive Director for the East Town Business Partnership. He thanked Koch and HGA for hosting, providing refreshments, and leadership of this group for many years.

Collison also thanked the audience for attending and explained because property owners and businesses pay for a Business Improvement District, they are pursuing feedback from them on the idea of having one in the North Loop. At the end of this session their comments to a straw poll to be given will be collected in the box provided at the sign in desk. Since neighbors and residents are a key component to the fabric of the North Loop, they will be engaging and collecting feedback from them separately.

Then he asked the following attendees to introduce themselves:

Mark Abramovitz, Citadel Investments  
Nancy Aleksuk, Swervo Development Corporation, DID Operations & Services Budget Committee  
Tim Bildsoe, North Loop Neighborhood Association  
Kale Anderson, Modist Brewing Company  
Andrew Carlson, City of Minneapolis Special Service Districts  
Kevin Desmond, Star Tribune  
Kristine Fisher, Be The Match  
David Frank, North Loop resident, City of Minneapolis Economic Policy and Development  
Doug Fulton, Avison Young  
Kristi Haug, Minneapolis Downtown Improvement District  
Brette Hjelle, City of Minneapolis Public Works  
Diane Hofstede, Diane Hofstede LLC  
Dave Horsman, Minnesota Twins  
Mark Hutig, North Loop Neighborhood Association  
Michael Kennedy, City of Minneapolis Public Works  
Michael McLaughlin, Urban Works, Consultant to Minneapolis Public Works  
Miles Mercer, City of Minneapolis Business Development  
Francis Nier, Beacon Interfaith Housing Collaborative, Great River Landing Task Force  
Bob Pfefferle, Hines  
Kathryn Reali, Minneapolis Downtown Council/Downtown Improvement District  
Dan Schaffan, Schafer Richardson  
Jason Stevensen, Minneapolis Federal Reserve Bank  
Carletta Sweet, Representative for the Downtown Minneapolis Neighborhood Association

Brian Wachtler, Haberman  
Shane Zahn, Minneapolis Downtown Improvement District

## 2. Why Are We Here [[Link to Presentation from Dan Collison](#)]

After reviewing the agenda, Collison explained he's heard over a dozen times from property owners, developers and businesses asking whether the North Loop could have a Business Improvement District similar to the Minneapolis Downtown Improvement District. Then he described a BID:

*A special service district funded by the commercial property owners within the district boundaries. The Minneapolis Downtown Council-"Downtown Improvement District" is a BID whose mission is to make Downtown a thriving and competitive environment for recruiting and retaining businesses, employees, residents, and visitors by delivering clean, safe, green, and better services, i.e., those not provided by the City (<http://www.mplsdid.com/services>) that raise the standard of care and behavior in downtown. Over 1,000 special service districts exist nationwide.*

Because of the success of the Minneapolis DID, the City Council recently readopted the ordinance to renew the Downtown Business Improvement Special Service District for an additional 5-year period (<https://lms.minneapolismn.gov/File/2017-01012>), and Collison invited colleagues from the DID and Public Works to answer questions about how it works. Although it is possible to expand the DID, key to the conversation is if the North Loop pursues a separate boutique BID would there be immediate connectivity to/leverage of the services being done by the larger DID, are individual properties and businesses adequately addressing current and growing concerns or is it time to work together for better solutions. Displaying a map of crime in the First Precinct from November 1, 2017 through January 31, 2018, Collison noted a key driver of the conversation has been wrestling with crime and safety. A BID can amplify a new array of engagement that can address these concerns.

- a. **Perspective of the North Loop Neighborhood Association.** Although current Minnesota Statutes on BIDs apply only to business property, homeowners associations (HOAs) and multifamily property owners can choose to participate. Because neighbors and residents are a key component to the fabric of the North Loop, Collison invited representatives from the North Loop to weigh in on this initiative.

Tim Bildsoe, President of the NLNA, explained he was asked to come and describe gaps in services in the North Loop. From a clean and public safety perspective, they adopted Washington Avenue to conduct periodic neighborhood cleanups with 20-50 volunteers, the latest of which occurred on January 27th in advance of the Super Bowl. Compared to the DID, it would be great to have Ambassadors dedicated to engaging with people all the time, particularly along Washington Avenue, to lessen the perception of crime. From a resident's perspective and with more people moving in as renters and owners, this would be a fantastic opportunity to make the neighborhood more inclusive and a better place to live and work. In addition to the perception of crime and public safety challenges, Bildsoe has also talked about parking with a new business that recently moved into the North Loop which expressed the desire for Ambassadors walking throughout the neighborhood and engaging with people.

Bildsoe then thanked the business and property owners for their investment in the neighborhood; they love and encouraged it in order to bring more business, vibrancy and safety to the community.

While displaying an image of a Schafer Richardson property along North 4th Street in the North Loop, Mark Hutig, NLNA Parks & Beautification Chair, described what some basic planting can do over a period of time. His goal is to have a lot more of it going forward for the following reasons:

- A single tree can produce the cooling effect of 10, room-size residential air conditioners (evaporative cool and shade);

- Lush tree canopies can reduce air temperature in the immediate area by 6-8 degrees;
- Two mature trees can produce enough oxygen for a family of four;
- Inviting and cool areas for recreation and relaxation;
- The color green is calming and relieves eye strain;
- Softens the harsh outline of masonry, metal, asphalt, steel and glass;
- People walk and job more on shade covered streets; and
- Trees absorb sound.

Hutig then displayed an image of an approximately 1-acre proposed park for the North Loop on Schafer Richardson property. They are working with the Minneapolis Park and Recreation Board to negotiate and develop the park and Hutig will be looking to a lot of business leaders for their support.

While displaying an image of over 100 perennials he planted last year at 710 Lofts as an ongoing effort to keep the property beautiful, Hutig explained City services for trees and greenery maintenance is minimal and all new trees and plants require frequent watering, fertilizer, weeding, pruning, litter removal. It is almost impossible for the City alone to keep them looking the way they'd like for the North Loop. The City does the initial watering and then trimming maybe once every 3 years; they just don't have the time to more than that. For new trees to thrive they need a lot of tender loving care; it's not a huge effort but it takes an effort. The Ambassadors can provide some of these services and a single source contract for maintenance can save money. If we got together as a BID and negotiated a contract we could get a better deal.

- b. Perspective of a Developer/Property Owner.** Nancy Aleksuk, Leasing Specialist at Swervo Development Corporation, advised most of their properties are in the Warehouse District which are in the DID district and they have three in the North Loop: Mortenson broke ground in October for their North Loop Office Building, adjacent is the Internet Exchange Building, and Western Container Building. She became involved with the DID several years ago in part because the Warehouse District owners felt pushed out. When it was formed the DID was comprised of the larger property owners and big stakeholders in downtown, yet they were assessed at the same core rate as the CBD and felt there were discrepancies in the services provided.

Aleksuk appreciates what DID does, e.g., it has implemented a lot more safety initiatives in the last couple years, created programs to engage the community, and has been willing to listen to the different stakeholders to customize services more appropriately. She is cautiously optimistic about having a BID in the North Loop; she sees benefits but because there are a lot of residential properties within the boundary, if we decide as a group of business property owners to pursue a BID, all property owners within that boundary get to participate whether they want to or not. This legitimately needs to be discussed and if there is buy-in across the board in the North Loop they can customize services to improve the quality for not just the businesses but for the residents also. There is the opportunity for more of a partnership with everyone getting to the table to discuss what services make the most sense and how they can be done in the most cost efficient manner.

### 3. Business Improvement District Overview

Andrew Carlson, Special Service District Manager for the City of Minneapolis, advised there are 16 active SSDs (<http://www.ci.minneapolis.mn.us/boards/special/index.htm>) throughout the City that have been in place for several decades. Annual budgets range from \$15,000 up to the DID's \$6.5 million. They are public/private partnerships, i.e., local government and businesses coming together to do work in the public right of way and consistency of enhanced level of services is how both parties benefit. The City has a lot of experience working with SSDs and they are getting to a point where all commercial nodes are within one, but there is still a great deal of interest in creating them, e.g., they currently have a list of five organizations pursuing a SSD. They are not here to sell us on a SSD, but rather to assist us if this is a path we wish to pursue. There are two tracks to pursue to establish a

SSD: (1) the City-managed approach; and (2) the self-managed approach (e.g., DID and the newer West Broadway Improvement District). It is important to first understand the pros and cons of each of these approaches and then to find out which works best for this group and the City will be available to assist them throughout this discernment process. There is a lot of engagement, community conversation and data collection on the part of the City to ensure sound decisions are being made. If the next step leads to the formation of a BID steering committee, which should meet on a regular basis, then the process to decide which path to pursue will begin.

Michael Kennedy, Director of Public Works at City of Minneapolis, advised SSDs and BIDs in Minnesota are defined by Statute 428A.02 (<https://www.revisor.mn.gov/statutes/?id=428A.02>) and only commercially zoned properties can create a SSD. Although residential properties can get involved, they have no say when it comes to the creation of the SSD. You must first use this Statute as the enabling legislation for the City Council to create an ordinance that defines the SSD, and then you create an operating plan, budget and method of assessment. Before attorneys start writing the words for a SSD, 25% of the rate payers within the district have to agree to do so through a petition process to the City Council. Once it goes through the City Council and public hearings process, there's a 45-day objection period where if up to 35% of the property owners don't want to proceed, it will not happen. In other words, you need a super majority (i.e., 65%) of the property owners who want to proceed.

Michael McLaughlin, President of Urban Works (<http://www.urbanworks.com/about-us>) and Consultant to Minneapolis Public Works, advised he's been around SSDs for about 20 years and was part of the leadership team of the MDC that established the DID. He clarified in order to pass the enabling ordinance creating the SSD, commercial property owners representing at least 25% of the land area within the proposed district and at least 25% of the budget must say affirmatively they want it before the City Council can set a public hearing to go forward. Annually and in setting up the district there is an objection period, and if commercial properties representing 35% of either of those metrics object to the district then there will be no SSD.

Kennedy elaborated on the City-managed and self-managed SSDs. In the former, the City manages all of the contracts, Carlson and his team hire the external contractors (or in some instances use City staff) to perform all the work within the City's right of way and pay the invoices. Service charges are collected for the purpose of paying all of the vendors and it is done in accordance with governmental procurement regulations. In the latter, rather than having City staff perform the work they hire a nonprofit entity which in turn hires the workers to perform the work and the nonprofit entity is paid 1/12 of the operating budget every month.

McLaughlin explained to be SSD eligible goes to the property's use and not its zoning. In vertically-oriented parcels, the commercial portion of a mixed-use property can be included and compelled to pay service charges; they prorate that property's input whether it's linear frontage, gross building area, or market value.

Kathryn Reali, Chief Financial Officer of the Minneapolis Downtown Council/Downtown Improvement District, explained service charges are allocated based on two components: the linear frontage and gross building area of the property (<https://ims.minneapolismn.gov/file/2017-01001>).

When McLaughlin guides a district to establish SSDs, whether here or elsewhere, service priorities are decided first and then the methodology for assessing service charges follows.

Responding to questions related to the potential base map, the two zones and safety concerns within it, Collison reiterated if the North Loop pursues a separate boutique BID, whether City- or self-managed, they would have to engage the entire community discern interests and there would be immediate connectivity to the good work being done by the DID especially as it relates to crime and

safety.

Shane Zahn, Director of Safety Initiatives at the Minneapolis Downtown Improvement District, commented in talking with communities about safety the biggest challenge is what should be their priorities. When considering priorities, a couple things they have done is look at Part 1 crime data for downtown and the annual downtown perception survey to gauge how they're doing and to focus the strategic and operating plan. Additionally, they try and leverage what other communities are doing to collaborate with the MPD, Metro Transit and other law enforcement agencies to create a vibrant and safe downtown. His goal is to drive out initiatives into community-based organizations that are setting safety priorities

#### **4. What's Next**

Collison described the next steps if there were interest in pursuing a BID in the North Loop:

- Assemble a BID Steering Committee;
- Launch a simple website to share information and gather input;
- Develop a discernment process;
- Map out several more listening sessions; and
- Seek commitments.

Then he asked the audience to take a straw poll by answering:

- Yes, explore it and I would like to serve on the Steering Committee; or
- No, don't explore it; or
- I'm unsure.

For the remainder of the session, McLaughlin and Collison continued to entertain a few questions from the audience.

#### **5. Closing Remarks**

Koch thanked the 2020 Partners for its leadership and commitment to this neighborhood, and Dan Collison, Doug Fulton and Ra'eesa Motala for their work addressing the parking issue that has plagued all of us; it is a continuation of their tradition of transparency, engagement and helping each other. He explained the BID topic first came up in a Steering Committee meeting where Dave St. Peter expressed concerns for the safety of Twins employees and Collison has been supportive of this initiative. Lastly, he thanked the audience for attending and encouraged them to sign up to be placed on the distribution list.

Collison extended appreciation for the audience's time and engagement and advised he will be in touch to reveal the results of the straw poll.