**Notes from Minneapolis Downtown Council’s 2025 Plan**

**East Town Development Group Meeting**

**Tuesday, April 18, 2017, 9:00-10:00 a.m.**

**Radisson RED Minneapolis, 609 South 3rd Street, Ground Level Events & Games Studio**

**DOWNLOAD PRESENTATIONS HERE:**

[**https://www.dropbox.com/s/8icl60njops5ufs/4-18-17%20East%20Town%20Development%20Meeting-Hotels.pdf?dl=0**](https://www.dropbox.com/s/8icl60njops5ufs/4-18-17%20East%20Town%20Development%20Meeting-Hotels.pdf?dl=0)

[**https://www.dropbox.com/s/jtuwwagbtgkux6q/Meet%20MPLS%20initial\_market\_assessment\_v2.0.pdf?dl=0**](https://www.dropbox.com/s/jtuwwagbtgkux6q/Meet%20MPLS%20initial_market_assessment_v2.0.pdf?dl=0)

1. **Welcome and Overview of Agenda**Dan Collison, Director of Downtown Partnerships for the Minneapolis Downtown Council/Downtown Improvement District, welcomed the audience to the “rainy” April East Town Development Group meeting, and thanked Andy Reichl of the Radisson RED Minneapolis for hosting. Reichl then described the features of the 1,000 square foot versatile Events and Games Studio in which the meeting was being held and invited the audience to come and challenge him to a game of ping pong.

Collison reviewed the agenda which included a high-level flyover of the Minneapolis hotel market analysis provided by Meet Minneapolis, and presentations by owners/managers of hotels located within East Town.

Then he extended gratitude to Cathy Schmidt, President of Surfacequest (<http://surfacequest.com/>), who has stepped in to help him craft these events. Schmidt explained they are a distributor and installer of Architectural Fusions, a revolutionary micro-thin, pressure-sensitive architectural surfacing product designed to emulate natural materials such as wood, stone, metal, and leather. In the case of the Radisson RED Minneapolis, they resurfaced wardrobes with a printed graphic.
2. **Upcoming East Town Development Group Meetings**
* *Tuesday, May 16th*. The Mill City Quarter Affordable Apartments (<http://www.millcityquarter.com/>) and Abiitan Senior Apartments (<http://www.abiitan.org/>) by Steve Minn, Vice Principal and CFO of Lupe Development, with optional tours.
* *Tuesday, June 20th*. A Water Works Update (<https://mplsparksfoundation.org/projects/water-works/>) by staff from the Minneapolis Park and Recreation Board and/or Minneapolis Parks Foundation, and if available, Friends of the Lock and Dam.
* *Thursday, July 27th, 7:30 a.m.* (special date and time): Morning with Steve Cramer: Demystifying Affordable Housing Leadership Panel.

Collison reminded the audience of this group’s digital bookshelf, <http://www.easttowndevelopment.com/>, where news items on important developments, resources about the area, and notes from the monthly meetings are captured.

1. **Introductions**Collison explained he wears several hats: in addition to Director of Downtown Partnerships for the MDC/DID, he’s also Executive Director for the East Town Business Partnership (<http://easttownmpls.org/>) and 2020 Partners (<https://the2020partners.com/>), and part-time pastor for First Covenant Church (<http://www.1stcov.org/>) which has 8 nonprofits in an incubator space and is building an affordable housing project. Others in attendance included:

Carina Aleckson, Catholic Charities Opportunity Center
John Campobasso, Kraus-Anderson Construction
Shannon Corrigan, U.S. Bank Stadium Sales Account Executive
Mike Dwyer, NRG Energy
David Fields, consultant to Minneapolis CPED and East Town
Tom Fisher, University of Minnesota Metropolitan Design Center
Chris Fleck, North Central University
Tom Hayes, Hennepin County Medical Center
Adam Herbranson, Aloft Minneapolis
Jeff Johnson, Minneapolis Convention Center
Varun Kharbanda, 511 Building
Kory Kingsbury, The Depot Minneapolis
Randy Manthey, DMNA Land Use Committee
Brian Maupin, Allied Parking
Elin Michel-Midelfort, The Excelsior Group
Paul Mittendorff, ESG Architecture & Design
Andy Reichl, Radisson RED Minneapolis
Greg Schindler, Sherman Associates
Thomas Schmid, DMNA Land Use Committee
Cathy Schmidt, Surfacequest
Ken Searl, Friends of the Mill District
Carletta Sweet, Downtown Minneapolis Neighborhood Association
Troy Whelan, Aloft Minneapolis
2. **Overview of Minneapolis Hotel Market Analysis**Without going into a deep dive, Collison highlighted data taken from “An Initial Assessment of Minneapolis as a Tourist Destination” authored by Kevin Hanstad, Director of Market Research & Public Policy at Meet Minneapolis, dated March 11, 2016. At that time, Minneapolis:
* Had 7,357 hotel rooms;
* On a scale of 1 to 10, rated 8.4 on overall satisfaction, 8.3 on value for money, 8.6 on friendly/helpful staff;
* Had 1,732 rooms of new inventory that came on line in the last 3 years which impacted the level of occupancy;
* The average daily rate (ADR) continues to rise, as well as the revenue per available room (RevPAR); and
* How Airbnb factors into the market.

For more information, read the full study at [http://cdn.minneapolis.org/digital\_files/7729/initial\_market\_
assessment\_v2.0.pdf](http://cdn.minneapolis.org/digital_files/7729/initial_market_assessment_v2.0.pdf), as well as Meet Minneapolis’ Destination Transformation 2030 tourism master plan at <http://www.minneapolis.org/partners-and-community/meet-minneapolis/destination-transformation-2030/>.

1. **East Town Hotels**
2. **Radisson RED Minneapolis, 609 South 3rd Street**
Sales Manager Andy Reichl distributed a 1-page property information sheet which was also displayed on the screen and advised the RED is a new build in Minneapolis (it opened in November 2016), and the first in the United States. There’s also one in Brussels and they are opening ones in Cape Town, Brazil, Miami and Portland. As much as they still believe in customer service, a good night’s stay, cleanliness and friendliness, the pillars of the brand are art, music and fashion and every RED is based on pulling those elements from the city in which it is built and infusing them into the vibe and experience of the stay, thus each one will be unique.

Then he gave an overview of the property’s assets and amenities. There are 164 studio rooms (not suites) comprised of 56 queen doubles, 92 king and 16 king corners. There’s the OUI Bar+Kitchen inspired by global street food to be competitive with the food trucks right outside their door at a price point comparable to Chipotle. The kitchen is open until 11 p.m., the bar is open until 2 a.m., there’s a 24-hour Grab-n-Go, and the patio will be opening soon. There is also a 24-hour workout center, digital wall to explore the city, and a RED app to check-in/out, order food, housekeeping, and check messages. Your iPhone can also become your room key. For more information, visit <https://www.radissonred.com/minneapolis/>.

Lastly, he discussed their target audience, i.e., an expressive crowd with an ageless mindset, and how they are reaching out to them, i.e., partnering with innovative associations, businesses and groups. As an example, for the grand opening they brought in four local designers from the College of Design at the University of Minnesota.
3. **The Elliot, an Autograph Collection® Hotel by Marriott, 5th Avenue South at South 9th Street**ESG Principal Paul Mittendorff advised this 8-story, 168-guestroom hotel is being constructed on the block Kraus-Anderson has owned since the mid-1970s on which their headquarters and surface parking were located. This was an opportunity to create a unique property and to differentiate itself in the hospitality market or in any market you’re trying to brand and create excitement and interest. When they talked about the format for this development, they thought it should reflect the neighborhood just as Andy talked about for the Radisson RED, and it is the recurring theme in hospitality development, i.e., to be singular to your location. All destinations are what hospitality is about.

Referencing the 1-page slide displayed on the screen, Mittendorff noted The Elliot is one of four iconic buildings being erected on the block redevelopment, the others being: (1) KA’s new 5-story, 100,000 square foot headquarters to be opened by 2018; (2) Finnegan’s brewery, event center and FINNovation Lab (<https://finnegans.org/news/star-tribunekraus-anderson-apartment-project-is-turning-point-for-elliot-park-in-downtown-minneapolis/>); and (3) the 17-story, 306-unit market rate residential tower named HQ (<http://www.krausanderson.com/blog/ka-block-update-construction-h-q-residential-tower-begins/>), all of which will surround an European-inspired, multifunctional courtyard and cover 520 parking stalls on two underground levels.

Some of The Elliot’s amenities include a full-service, 144-seat “Tavola” restaurant and bar; a lobby and lounge with fireplace shared with the brewery; and a 5,500 square foot banquet/meeting space.

They worked with a branding agency to develop a solid story for Marriott to understand the target audience for this unique property, e.g.: fashion-forward, active and adventurous, values health and wellness, well-traveled, business traveler, Uber Black, explorer of cultures. The plan to reach this target audience involved creating a unique environment that relates to Elliot Park, but striving to differentiate itself in Minneapolis and in Minnesota in general, and always providing a positive guest experience. They target the ephemeral mood and emotions of guests, rather than the settings and surroundings but have filled in what is unique to this location. The images for the guests focus on the Danish concept of hygge, i.e., comfort and pleasure (<http://www.visitdenmark.com/hygge>). The touch points have to be gentle and one-on-one rather than isolated and separated by furniture like at the front desk. Staff will be ubiquitous, but invisible.

The exterior expression is very Northern European urban architecture by the use of masonry with fine wood to highlight both the exterior and interior. The large windows are characteristics of ESG’s residential projects and the importance of light in this northern climate. Opening is expected to occur sometime in 2018, but some tinkering continues to occur.

For more information, visit <https://www.krausanderson.com/blog/ka-block-welcomes-elliot-hotel/>.
4. **Canopy™ by Hilton Minneapolis Mill District, 700 South 3rd Street**

Greg Schindler, VP of Hospitality & Retail Operations at Sherman Associates, began by giving a brief biography of George Sherman, and then Sherman Associates experience in the hospitality industry (<http://www.sherman-associates.com/hotel>), one of which is the Aloft Hotel, more about which is forthcoming.

He noted that the trend in the hospitality industry is to rebrand themselves to appeal to a new customer and others are quick to follow. There are ***not*** a lot of new ideas and what he’ll convey about the Canopy is basically what we heard earlier about the Autograph Collection. This is the Hilton’s new lifestyle brand based on local experience. Currently there is only one in the world and it is in Reykjavik, Iceland. Other Canopy openings this year will occur in DC, Maryland, Oregon and Texas, and there are approximately 13 others in the pipeline (<http://canopy3.hilton.com/en/locations/index.html>).

The Canopy will be located in the historic Thresher Square office complex comprised of the 6-story Advance Thresher Building built in 1900, and the 7-story Newton-Emerson Implement Building built in 1904; however, the artfully crafted façade makes it difficult to discern the difference in floor elevations of the two structures. The interior is being designed by Omaha-based DLR Group which has offices in Minneapolis, and will be converted into 183 guestrooms, 4,500 square feet of meeting space, the Canopy Restaurant and Bar, and onsite parking for a small fee.

Their target audience is travelers seeking a neighborhood lifestyle hotel offering simple, guest-directed service, thoughtful local choices in design, food, drink and culture, and comfortable spaces. They plan to open summer of 2018. For more information, visit <http://www.thedevelopmenttracker.com/news/2016/10/11/canopy-by-hilton-planned-for-downtown-minneapolis>.
5. **The Aloft Minneapolis, 900 Washington Avenue South**

General Manager Adam Herbranson advised The Aloft Minneapolis ([http://www.starwoodhotels.com/
alofthotels/property/overview/index.html?propertyID=3074](http://www.starwoodhotels.com/alofthotels/property/overview/index.html?propertyID=3074)) opened in August 2008 under the ownership and management of Sherman Associates, and noted its strategic location in the wonderful Mill City district just minutes away from TCF Stadium, Target Center and Target Field in the heart of downtown, in the block next to the Guthrie Theater, and 2 blocks away from U.S. Bank Stadium and, as a consequence, are definitely looking forward to the 2018 Super Bowl.

As of March 2017, they completed the renovation of their 155 guestrooms and corridors and are strategizing over the renovation of the public areas which includes the signature WXYZ Bar, Re:mix(SM) Lounge, Re:charge(SM) Gym, and indoor Splash Pool. Then he encouraged the audience to stop by for drinks and to ask for a tour.

When their modern, loft-style brand first opened it was geared toward the 30-something, tech-savvy person with disposable income, but they discovered, as others in the room have found, their brand is open to everybody and is enjoyed by everybody. As a consequence, they are targeting everybody (e.g., project consultant, group, leisure, business traveler) and pursuing them by:
* Digging deep into the local backyard for an aggressive sales team;
* Working closely with Marriott on field marketing and Starwood Sales Organization;
* Social media;
* Prospecting with network affiliations, e.g., Convention and Visitors Bureaus (CVB), Meeting Professionals International (MPI), Global Business Travel Association (GBTA); and
* How they advertise to feeder markets in Chicago, St. Louis, Kansas City, and have done so via local vendors for wraps on the LRT, Delta Sky Magazine.

This year has been a rough start, but they have high hopes that the end of the 2017 will turn out well, and are looking for something even grander in 2018.

1. **The Depot Minneapolis:
Renaissance Minneapolis, 225 3rd Avenue South
Residence Inn Minneapolis Downtown, 425 South 2nd Street**

On behalf of Michael Clark, Managing Director at the Renaissance Minneapolis, Kory Kingsbury, Director of Sales at the Residence Inn Minneapolis, began by giving a brief history of his background in the hospitality industry (<https://www.linkedin.com/in/korykingsbury>). He’s been with The Depot since 2006, and prior to that began as an intern with CSM Corporation, the owner of The Depot, before moving onto its sales team selling the ice skating rink. In addition to his current position, he oversees The Depot’s business travel market and works with collegiate professional sports teams.

Referencing his 1-page handout that was also displayed on the screen, he then gave a brief history of the former Old Milwaukee Road Depot; it was a train station built in 1864, reached its peak of activity in the early 1920s, and closed in 1971 due to the decline in rail travel and rise in air travel. It sat vacant until 1998 when construction began for what it is today, i.e., two hotels, 60,000 square feet of event space, and over 600 parking spaces within the complex.

Changes that have occurred since its completion in 2001 include (1) the full renovation of the Residence Inn Minneapolis completed in 2015 (<http://www.marriott.com/hotels/travel/mspmw-residence-inn-minneapolis-downtown-at-the-depot/>); and (2) the full renovation of the Renaissance Minneapolis (<http://www.marriott.com/hotels/travel/mspdd-renaissance-minneapolis-hotel-the-depot/>) completed ahead of schedule in March 2017. Initially there was a Water Park that connected the two hotels, the first in Minnesota geared for the younger crowd. Now that there are a number of them in the metropolitan area, and to be able to cater more to the business traveler, they removed it and built up the space in between. They also added a floor to the Renaissance and remained open throughout the renovations working around events and guests. They received more complaints about the construction being built around them than what was happening internally. Thereafter, he extended an invitation to the audience to come and tour the renovated spaces and enjoy the Milwaukee Road restaurant and bar, formerly known as Charley’s Grill and Stone Arch Bar. He also asked those who represent apartment buildings and homeowner associations to recommend the extended stay Residence Inn for those times when someone encounters move-in challenges.

Kingsbury then entertained questions from the audience during which he described the conversion of the enclosed ice rink into year-round event space and the expansion and enclosure of the existing open-air train shed currently used as parking ([http://minneapolismn.gov/www/groups/public/@cped/documents/webcontent/wcmsp-193080.pdf](http://minneapolismn.gov/www/groups/public/%40cped/documents/webcontent/wcmsp-193080.pdf)) to be completed by early fall 2018.
2. **Closing Remarks**

Collison thanked Reichl, Mittendorff, Schindler, Herbranson and Kingsbury for their presentations and noted their businesses represent an impressive part of East Town’s economic growth and encouraged them to contact him to help promote their activities. Lastly, he thanked the audience for attending and wished everyone a great day.