OPERATING PLAN 2017

Minneapolis Downtown Improvement District & SafeZone Collaborative

We are pleased to present you with this overview of MDID services proposed for 2017. We are excited to continue providing services to our downtown community that add to the vibrancy of our city. MDID's scope of work aims to improve the perception of our downtown area while also enhancing the overall experience of those who live, work, play and explore here. Through cleaning and greening methods, providing directions, giving business recommendations and collaborating with our many local partners, MDID offers resources that benefit employees, visitors, residents and business owners throughout the district. We thank you, and all of our stakeholders, for your partnership in helping us create and maintain an extraordinary downtown. We look forward to working with you again in 2017!

Learn more about the 2017 Operating Plan at MDID's Open House

Wednesday, September 7, 2016, 9:30-10:30 am

at the Minneapolis Downtown Improvement District office 81 South 9th St, #260

MDID MISSION

MDID's mission is to support, preserve, create and enhance a vibrant, competitive and thriving downtown that attracts and retains businesses, employees, residents and visitors. To that end, MDID pursues several goals: To create/support a competitive and thriving downtown through effective provision of clean, green, safe and better services; to pool resources and bring more effective implementation of services and initiatives; to bring a sustainable funding source to long-term initiatives; and to create and sustain an ecosystem that encourages a thriving public space in support of retailers,businesses, employees, visitors and residents.

ABOUT MDID SERVICES AND BUDGET

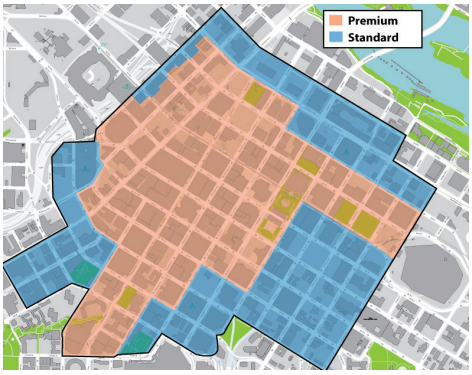
Recognizing the changing pedestrian use patterns emerging within the district due to robust development and the related increases in people working, visiting and living downtown, we are adjusting how and where we deliver services in 2017. As in the past, frequency of service will be based on achieving a consistent standard throughout the district. Areas with higher pedestrian traffic or usage require greater frequency and/or faster response times. MDID's service level areas have been determined, in part, based upon these anticipated response times and frequencies. We are therefore increasing our level of services in areas that have experienced new growth and development. In addition, we have simplified our approach by establishing only two levels of service described with more intuitive names – Standard Service and Premium Service. On rare occasions, some MDID services may occur on private property when doing so benefits the broader area, furthers the mission of MDID and may be coordinated through a fee-for- service contract. As with any business, we must invest in added services to yield the greatest possible outcome. We must remain ever-vigilant in making downtown attractive to business investment. While focusing on our goal to provide service, we also seek competitive pricing and cost controls. The 2017 budget takes into consideration the impact of the Nicollet Mall Project and, as described above, the change in pedestrian use patterns due to new developments on the east side of the district. We anticipate some continued cost reductions related to the construction activity while experiencing increases in costs related to more services delivered on the east side. These increased services will be offset by increased service charges to the properties in these areas. Overall, the increased expenses represent an increase in Ambassador wages, additions to our MDID Livability Team, and an increase in some of our youth outreach initiatives. The year-over-year variance for each property is impacted by its lineal frontage and gross building area relative to the overall district. Any annual changes to the assessor's data for properties or fluctuations in the budget relative to allocations between linear and gross building area services can also impact amounts applied. MDID would like to thank the members of the Budget & Operations Committee for their efforts preparing this budget and providing ongoing oversight of services in 2016. The committee list is included on the back of this report.

"It's good to know and have an extra set of eyes in assisting with the public and Minneapolis police officers in keeping it safe in downtown. Thanks for all the hard work."

– Downtown Employee

MDID ASSESSMENT METHOD & PAYMENTS

The assessment methodology charges properties proportionate to the costs of delivering the services needed for a consistent outcome throughout the district. Services needed are related to the usage in each area and, in turn, usage is affected by the density of pedestrians. Pedestrian density is captured in three ways: 1) linear frontage, 2) gross building area, and 3) frequency/speed of services needed. The first two components are obtained from Hennepin County and City of Minneapolis records. The third, frequency of services needed, was determined as described in the service level area map (below). Costs are then allocated between those delivered on a linear basis (e.g. cleaning) and those whose delivery is more closely related to overall density (e.g. greening is placed where there are more eyes to enjoy it). A charge per linear foot and a charge per gross building square foot is calculated and then applied to each property pro-rated by service level area (Premium – 100 percent, Standard– 50 percent) Please contact MDID with questions about the calculation for a specific property (or to identify the lineal frontage, GBA, or service level for the property). Subject to approval of the Operating Plan, 2017 MDID charges will be combined with special assessments on Hennepin County property tax statements, payable 2017. Residential and certain non-profit properties are exempt from paying service charges for the MDID (although many have opted to pay voluntarily since they too receive services). Please contact MDID if you represent an exempt property and would like to contribute or would like MDID to present the program to your board for consideration.



The district is divided into two service level areas: Premium and Standard. These areas were determined based upon the level of pedestrian activity and the resulting need for intensity of service to maintain a consistent standard. The service level areas can be modified annually as needed to reflect any land use changes that result in changes to pedestrian activity patterns and intensity.

NEW INITIATIVES

In 2017 we will see the continuation of many exciting and positive changes in the district. We remain committed to continuing our work to make all areas of the district attractive, safe and welcoming. The 2017 budget reflects an increase in the number of Ambassadors deployed—allowing us to better serve areas experiencing growth and, therefore, anticipated increase pedestrian traffic. We have continued to budget maintenance and greening costs at a low level due to a reduction in the areas of greening and maintenance due to the reconstruction of Nicollet Mall. A portion of these savings are being repurposed to expand our new Livability Team of street workers that will help to guide individuals to services and discourage intimidating behaviors. We also plan to develop a stronger relationship management capacity within our staff, allowing us more personal contact and stronger relationships with you as a property owner and the community in general. All of these recommendations are consistent with the strategic plan that was approved by the Board of Directors in 2015.

"Last night, an Ambassadors helped take me to the Downtown Hilton. He was much more friendly and effective than my GPS. This program really leaves a good impression of Minneapolis, making it more likely I'll recommend your city as a great site for future conferences."

– Downtown Visior

2017 SERVICES PLAN & ESTIMATED BUDGET

Service Charges	LF	GBA	TOTAL
Service Charges Assessed	$ 1,758,223	$ 4,111,271	$ 5,869,494
Voluntary Opt-In charges Assessed	317,699	383,543	701,242
Total Sources	**$ 2,075,922**	**$ 4,494,814**	**$ 6,570,736**
Cost of Delivering Services			
Safe: Ambassadors & outreach to patrol sidewalks as "eyes & ears"; provide greeter/hospitality services; & address aggressive behaviors (panhandling, inebriates, intimidating behavior). Other Safe initiatives include: Police Reserves, Radiolink, camera monitoring, security, camera registration program, Youth outreach, housing & treatment liaisons, Livability team, Tactical Urbanism, Street activations, Bar Watch, Courtwatch, Downtown 100, Give Real Change.	1,022,909	1,967,050	2,989,959
Clean: Litter, trash and recycling programs; Graffiti abatement; Wash streetscape surfaces; Pressure-wash sidewalks; Sidewalk Weed removal; Snow tidying on sidewalk corners & pedestrian ramps (property owners will still manage first-response snow services, MDID will focus on consistency of removal & work with owners to make sure they meet ordinance standard); Document; report, & follow-up on private property & public agency issues.	667,608	738,961	1,406,569
Greening & Public Realm: Plan, provide, install, & maintain seasonal & permanent green features in multiple locations downtown. Serve as a resource to property owners who want to implementing greening. Tactical Urbanism.	—	479,018	479,018
Public Area Maintenance	—	84,000	84,000
Snow: Continue snow & ice melt services on Nicollet Mall.	—	211,500	211,500
Communications: Annual report, operating plan, maps, surveys, social media, public realm & issue specific awareness campaigns, awards, activations, website, etc.	—	57,650	57,650
Program Management: Staff & professional services for planning & implementation of new initiatives and MDID operations.	302,300	632,700	935,000
Administration: Facilities, parking, supplies, postage, equipment, professional services, insurance, telephone, IT, financing costs, bank fees, & other administrative expenses.	83,105	173,935	257,040
Contingency	—	150,000	150,000
Total Costs	**$ 2,075,922**	**$ 4,494,814**	**$ 6,570,736**

THE MDID MODEL AND GOVERNANCE

MDID is patterned after many other successful business improvement districts that exist in downtown areas nationwide, where services are performed to provide a cleaner, safer, greener and better downtown. Studies have reflected that businesses, employees and residents are more likely to want to locate where these services are performed. MDID uses the same policies, quality and cost controls demanded by businesses when managing private properties. We provide transparency in all functions, efficiencies in procurement and implementation methods, as well as accountability. An independent audit of MDID is delivered to the City of Minneapolis by March 31 each year. MDID is a 501(c)6 non-profit organization with a wholly controlled 501(c)3 subsidiary, Minneapolis SafeZone Collaborative. MDID is governed by a Board of Directors comprised of business leadership who bring a broad depth and breadth of expertise to the oversight of MDID. The MDID Budget & Operations Committee is the governing body that has direct oversight of the annual budget and operating plan for Downtown Business Improvement Special Services District.

MDID BUDGET & OPERATIONS COMMITTEE (JULY 1, 2016)

Nancy Aleksuk - Swervo Development Corp.
John Campobasso - Kraus-Anderson
Jeff Gendreau - Baker Tilly Virchow Kraus
Tanya Hemphill - Piedmont Office Realty Trust
Tom Hoch - Hennepin Theatre Trust
Dave Horsman - Minnesota Twins
Ken Jarka - Hilton Minneapolis
Joanne Kaufman - Warehouse District Business Association
Mike Maney - Ryan Companies
Jane Mauer - Tartan Investment Company
Ronnie Ragoff - Shorenstein Realty Services
Nils Snyder - Colliers International
Kirsten Spreck - Thrivent Financial for Lutherans
Jennifer Swanson - City of Minneapolis
John Sweeney - Brave New Workshop
Herb Tousley - University of St. Thomas
Steve Trulen - Target
Amy Wimmer (VICE CHAIR) - Hines Interests
David Wright (CHAIR) - U.S. Bank

BOARD OF DIRECTORS (JULY 1, 2016)

Medaria Arradondo – Minneapolis Police Department
Collin Barr - Ryan Companies
Maureen Bausch - MN Super Bowl Host Committee
Chris Behrens - YA
Rick Bertram - Marriott City Center Hotel
Elizabeth Brama - Briggs & Morgan PA
Rick Buyens - CenturyLink
John Campobasso - Kraus-Anderson
Wally Chapman - RBC Wealth Management
Mike Christenson - Minneapolis Community and Technical College
Michael Clark - CSM Corporation
Emmett Coleman - Comcast Corporation
Anna Coskran - NTH
John Cowles III - Unity Avenue Associates
Shelly Crowley - MSP Communications
Gary Cunningham - Meda
Laura Day - Minnesota Twins
Jim Durda - Zeller Realty Group
Helen Eddy - Macy's
Kweilin Ellingrud - McKinsey & Company
Jeff Gendreau - Baker Tilly Virchow Kraus
Mark Hamel - Dorsey & Whitney
Brent Hanson - Wells Fargo
Kathleen Harrington - Mayo Clinic
Rev. Timothy Hart-Andersen - Westminster Presbyterian Church
Blake Hastings - CBRE
Doug Hennes - University of St. Thomas
Tom Hoch (CHAIR) - Hennepin Theatre Trust
Robert Jones - TCF National Bank
Judy Karon - Downtown Resident
Paul Kasbohm - Star Tribune
Summer Kath - Cambria
Steven Katz - Barnes & Thornburg
Trisha Kirk - Guthrie Theater
Rick Kleven - Thrivent Financial for Lutherans
Shannon Knoepke - CBS Radio
Steve LaCroix - Minnesota Vikings
Kevin Lewis - BOMA Greater Minneapolis
David Loehr - HGA Architects and Engineers
Bob Lux - Alatus, LLC
Tim Mahoney - The Loon Café
Brian Mallaro - Deloitte & Touche
Jonathan Marks - Honeywell
Tim Marx - Catholic Charities
Laura McCarten - Xcel Energy
Cora McCorvey - Minneapolis Public Housing Authority
Dave Menke - The Opus Group
Kimberly Motes - Children's Theatre Company
Sianneh Mulbah - MN Timberwolves and MN Lynx
Dave Norback - RSP Architects
Ravi Norman - Thor Construction
Nick Pechman - JB Hudson Jewelers
Todd Peterson - Be The Match Foundation
Robert Pfefferle - Hines Interests
Brian Pietsch - Ameriprise Financial
Jon Pryor - Hennepin County Medical Center
Ronnie Ragoff - Shorenstein Realty Services
Carl Runck - Ryan Companies
Mike Ryan - Ryan Companies
R.T. Rybak - Minneapolis Foundation
John Saunders - United Properties
Mark Schindele - Target Corporation
Kathleen Schmidlkofer - University of Minnesota Foundation
Scott Schnuckle - HealthPartners / Park Nicollet Health Services
Kevin Smith - Minnesota Orchestra
Kenneth Sorensen - Mortenson Construction
John Stanoch - Minneapolis Regional Chamber of Commerce
Al Swintek - CenterPoint Energy
Melvin Tennant - Meet Minneapolis
Phil Trier (VICE CHAIR)- U.S. Bank
James Vos - Cresa Minneapolis
Brent Webb - Sherman Associates
Kimberly Welch - Valspar Corporation
John Wheaton - Faegre Baker Daniels
Tom Whitlock - Damon Farber Associates
David Wilson - Accenture
Amy Wimmer - Hines Interests
David Wright - U.S. Bank

"On multiple occasions I've come across your friendly DID Ambassadors who are cleaning, welcoming, and generally making the downtown experience great. Thank you for having them here."

– Downtown Resident

DID MINNEAPOLIS

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www.MinneapolisDID.com

MDID is managed by a small staff of professionals with expertise in real estate and project management as well as services procurement and oversight. Services are implemented via contracts with vendors. Please visit the MDID website for more information about services implementation, staffing, board, committee membership, etc.