

**Request for City Council Committee Action from the Department of Community
Planning and Economic Development - CPED**

Date: January 29, 2008
To: Council Member Betsy Hodges, Intergovernmental Relations Committee

Subject: Riverfront Organization Study

Recommendation: Add to the 2008 City of Minneapolis state legislative agenda a request for legislative authorization (see attached draft of legislation) to establish a new nonprofit to support and coordinate continued riverfront revitalization in Minneapolis. This request will be conditioned upon the Minneapolis Park and Recreation Board agreeing to support the request and participate with the City as a member of the nonprofit board.

Previous Directives: On December 21, 2007, the City Council referred the riverfront organization recommendation to the IGR Committee for consideration of inclusion on the City's 2008 legislative agenda. On February 23, 2007, the City Council received and filed an informational update about the riverfront organization study. On July 21, 2006, the City Council approved an interim riverfront organization concept and appointed Council Members Ostrow and Hofstede as the City Council representatives to the Riverfront Policy Oversight Task Force. On June 17, 2005, the City Council approved acceptance of a \$60,000 grant from the McKnight Foundation to complete the riverfront organization study to be led by the selected consultant. On November 5, 2004, the City Council approved the issuance of a request for proposals for a consultant to assist the City in evaluating and implementing organizational changes to enhance riverfront revitalization.

Prepared by: Ann Calvert, Principal Project Coordinator, 612-673-5023

Approved by: Charles T. Lutz, Deputy Director CPED _____

Catherine Polasky, Director, Economic Development _____

Presenter in Committee: Ann Calvert, Principal Project Coordinator

Financial Impact

Action is within the Business Plan

Other financial impact – No immediate impact as a result of the actions proposed at this time, but \$50,000 in City funding for the proposed new organization (if the legislature authorizes its creation) is included in the approved 2008 budget.

Community Impact

Neighborhood Notification – Riverfront neighborhoods have been notified of this report via the Minneapolis River Forum Current e-newsletter. The Above the Falls Citizens Advisory Committee (AFCAC) has been involved in the process and supports the recommendation.

City Goals - Better coordination of riverfront revitalization will assist the City in achieving multiple City goals.

Sustainability Targets – Not applicable.

Comprehensive Plan – Not applicable.

Zoning Code – Not applicable.

Living Wage/Business Subsidy Agreement Yes _____ No X

Job Linkage Yes _____ No X

Supporting Information

Thanks to a grant from the McKnight Foundation supplemented with CPED resources, the City undertook a study to explore ways to enhance Minneapolis’ organizational capacity to continue riverfront revitalization. The goal of the study was to determine if an organizational change (or changes) would allow riverfront revitalization to: a) be completed more efficiently and effectively, b) attract additional investors and supporters, and c) be completed in a more coordinated manner for better results. The consultant firm of Bacon and Associates was hired by the City of Minneapolis to oversee this process and has been working with an inter-agency staff “core group” throughout the process. Further information about this study may be found at www.ci.minneapolis.mn.us/cped/riverfront_study.asp.

The first stages of the work completed as part of this study included:

- the establishment of a Riverfront Policy Oversight (RPO) Task Force and a Riverfront Senior Management (RSM) Task Force to guide the completion of the study and riverfront work in the interim;
- the articulation of the working vision that has been informing riverfront work (see page 12); and
- the approval of a first-ever coordinated work plan and Capital Improvements funding summary.

The next stage of the study focused on the work of a Riverfront Blue Ribbon (RBR) Task Force convened by the RPO. The RBR included a total of 30 members – eight from the RPO, three representing community organizations (one each from the Upper River, the Central Riverfront and Lower Gorge), seven appointees from other non-local governmental and institutional entities, and twelve individuals representing non-profits, foundations, businesses and civic leaders. A list of the RBR members is attached as Exhibit A.

Through a series of meetings and workshops in early 2007, the RBR met to gather background information, identify success criteria to be achieved through organizational changes, explore various options and then craft a recommended organizational model that the RBR believes would best achieve the success criteria.

The RBR’s recommendation then was considered by the RPO and RSM, both of whom suggested certain clarifications and refinements. The Above the Falls Advisory Committee also suggested additional clarifications.

The Riverfront Blue Ribbon Task Force Recommendation

The full RBR recommendation, with RPO, RSM and AFCAC clarifications and refinements, is attached as Exhibit B.

The RBR recommends that a new organization be created to supplement the work of the existing riverfront partners and serve four general functions:

- Coordination of multi-partner efforts and administration
- Development, fund-raising and advocacy for identified priorities
- Marketing, promotion and communications
- Planning and design input (including operation of a design center to review public and private plans) and targeted implementation

The scope of the new organization would be the entire riverfront in Minneapolis, but the initial capital investment priority would be the Upper River.

The new organization would have a small staff and would be guided by a public/private board. The board would include representatives of: a) the City and Park Board, b) any other governmental members interested in participating (see potential list on page 7 in Exhibit B), and c) community, business, nonprofit and civic stakeholders.

State legislation does not allow creation of a nonprofit by a subdivision of the state without explicit legislative authority to do so. Therefore, this report recommends that the establishment of the new organization be proposed to the 2008 Minnesota legislature. A copy of the draft legislation is attached as Exhibit C. Additional organizational details, e.g., board composition, will be determined as the process moves forward.

The annual operating cost for such a new organization is preliminarily estimated at \$250,000 for a very minimal staff (1.5 FTE) that could address the functions shown in bold on the Functions chart in the recommendation (see page 10 in Exhibit B). If the organization does not get started until mid-2008, it is estimated that \$150,000 would be needed for start-up 2008 operations. This assumes that funds would be raised for all other functions or that they would not be undertaken until later. Additional funds also would need to be raised for specific initiatives and projects. There is \$50,000 in the approved 2008 CPED budget that can be used to support initial operations, and other governmental members will be asked to contribute a modest amount of support for 2008 operations. The goal is to have the new organization raise its own operating funds for 2009 and beyond (although the City and/or other members could elect in the future to provide continued funding).

Ways in which the City of Minneapolis would be involved in such a new organization (if authorized by the State) include:

- Appointment of one or more representatives to serve on the board
- Agreement to seek and consider input on plans, projects and major decisions proposed by the City that would impact riverfront revitalization
- Assignment of staff to work with the new organization to coordinate activities
- Provision of start-up funding as noted above

AC779

EXHIBIT A RIVERFRONT BLUE RIBBON TASK FORCE ROSTER

RIVERFRONT POLICY OVERSIGHT (RPO) TASK FORCE MEMBERS:

Mayor	1	Cara Letofsky, Mayor Rybak's office
Minneapolis City Council	2	Council Member Diane Hofstede Council Member Paul Ostrow
Minneapolis Park & Recreation Board President Jon Olson	2	Commissioner Walter Dzedzic
Hennepin County	1	Commissioner Mark Stenglein
Mississippi Watershed Management Organization	1	Commissioner Karen Gill-Gerbig
Minnesota Historical Society/ Heritage Board	1	Director Nina Archabal (Alt. Andrea Kajer)

APPOINTED BY CONSTITUENT GROUPS:

State legislators	3	Senator Linda Higgins Representative Diane Loeffler Representative Joe Mullery
University of Minnesota	1	Clint Hewitt
Metropolitan Council	1	Ann Beckman
Minnesota DNR	1	Emmett Mullin
National Park Service/MNRRRA	1	Steve Johnson
Community organizations	3	Upper -- Fred Neet (Alt. Mary Jamin Maguire)
(One each Upper River, Central and Lower Gorge)		Central -- Peter Brown Lower -- Irene Jones

APPOINTED BY RIVERFRONT POLICY OVERSIGHT TASK FORCE:

Businesses	3	Tim Baylor, JADT Group Kit Richardson, Schafer Richardson David Lawrance, Paradise Charter Cruises
Foundations	3	Frank Quilici, Minneapolis Parks Found. Karl Stauber, Northwest Area Found. Karen Park Gallivan, Graco Foundation
Non-profits	3	David O'Fallon, MacPhail Center for Music Jay Kiedrowski, Guthrie Theater board John Crosby, MN Adv. Bd. for Trust for Public Land (Alt. Susan Schmidt)
Civic leaders	3	Arvonne Fraser Michael Rainville Charlie Zelle
TOTAL	<u>30</u>	

EXHIBIT B
RIVERFRONT BLUE RIBBON TASK FORCE RECOMMENDATION

RBR-Recommended Organization Model

RIVERFRONT ORGANIZATION MODEL

NEW PUBLIC/PRIVATE ENTITY

What do we hope to achieve with a new entity? (also see Success Criteria)

- Coordinate efforts among entities involved in riverfront work so all are pulling in same direction at same time for optimum effectiveness and efficiency
- Attract new investors and increased support from parties who may be more interested in supporting a coordinated riverfront revitalization strategy than in fielding multiple disparate requests
- Achieve better outcomes because projects are inspired over long-term to achieve multiple aspects of vision (see Working Vision), not just meet minimums or achieve one entity's set of goals
- Streamline development process and/or make it more effective and productive
- Support more productive community input into plans, projects, proposals

Functions

- New entity will have functions shown in attached "Recommended Functions"
- Board will meet regularly to:
 - Provide overall strategic direction and agree upon shared goals and action plans
 - Be the impetus for achieving shared agenda, ensuring coordination of activities and sharing information
 - Identify key activities, and approve new entity's work plan and budget (both operating budget and allocation of funds to special initiatives and key activities)
- New entity leads visioning process and establishes design guidelines
- New entity develops and implements communications plan
- New entity's staff will implement work plan, provide staff support for board and have day-to-day involvement in coordination, design center oversight, etc.
- Design center review will complement existing project review process (which focuses on administration of ordinances, minimum requirements and technical considerations) by providing upfront coordinated input on design considerations and opportunities for both coordination and enhancements to achieve vision
- New entity will take over convening Riverfront TAC and also will convene senior management and policy makers as needed. Governmental members will commit to participate.
- New entity will have legal authority to acquire, hold and dispose of land, but role (at least initially) may be achieved via support of member entities' land acquisition and/or by working in partnership with a nonprofit with that skill set. Land acquisition would be considered only when needed to achieve a strategic goal that a partner cannot achieve and only when the representatives of all governmental members unanimously support the acquisition. Any land ownership by the new entity is expected to be for a short transitional period, not long term, and only when there is a clear plan for the parcel's disposition and eventual use in accordance with approved plans.
- Governmental members will continue their current planning and implementation roles

Geographical scope

The new entity will be involved with the entire length of the Mississippi River within Minneapolis, but with recognition that the different segments of the riverfront will have different needs over time and that the initial strategic capital investment priority will be Upper River.

RBR-Recommended Organization Model

Powers needed by new entity

- Hire staff
- Accept grants, donations, government member contributions, membership donations; structure will allow contributions to be tax deductible
- Make grants to governmental, private and nonprofit entities
- Enter into contracts (office space, professional consultants, web site, etc.)
- Acquire/hold/dispose of land (directly or in cooperation with partners)
- Incur debt (when can be secured by an asset)

Governance

- Board may include representative(s) of following governmental bodies:
 - City of Minneapolis
 - Minneapolis Park and Recreation Board
 - Hennepin County
 - Metropolitan Council
 - Mississippi Watershed Management Organization
 - Minnesota Historical Society
 - University of Minnesota
 - National Park Service/MNRRRA
 - State of Minnesota (departments and/or legislators)
- Board also will include private/nonprofit/foundation/business/community representatives (including AFCAC) and possibly a St. Paul representative
- Board will have a balance of public and private members and chair may be shared between two members (one public and one private)

Authority

New entity will have following authorities (in addition to influence it can wield via power of vision and working relationships):

- Approve strategic and work plans for new entity's activities
- Approve budget for funds raised by new entity and identify key activities to be supported with funding and/or advocacy
- Review of (and making recommendations on) plans and public projects: Member governmental entities will commit to: a) submit plans and major public project decisions (e.g., developer selection, public project designs) to new entity for review, and b) consider its input. New entity will review proposed plan/project and make recommendations on opportunities for coordination and alignment and ways to assure compliance with vision. New entity will not have veto power.
- Private project review (and making recommendations on): Member governmental entities will commit to encourage private parties to submit private project plans for review by design center.
- Design guidelines: Once design guidelines have been approved by new entity, will explore whether any part could/should be enforced via member governmental bodies' tools (e.g., zoning)

Authority/powers not needed or wanted

- Eminent domain
- Taxing
- Bond issuance

RBR-Recommended Organization Model

Staffing

- New entity will need following competencies (through staff hired by new entity, staff support contributed by members and/or contracting out):
 - Executive director/leadership
 - Fundraising/development/advocacy
 - Design center oversight
 - Communications
 - Ombudsman (to work with developers and businesses that may be affected)
 - Community engagement
 - Legal counsel
 - Administrative support
- Staff from governmental member entities also will provide staff support to facilitate coordination and buy-in and to expand capacity

Funding

- As with Heritage Board, some or all governmental/institutional member entities could make annual contributions to support basic operations and core activities
- One-time funding for visioning process and design guidelines
- Ongoing funding of communications program, design center function and staff
- Contributions sought for ongoing basic operations and for special initiatives and key activities undertaken by the Board
- Potential funding sources (for operations and/or key activities):

Note: The desired result will be to have a larger funding "pie" that can be split up more cooperatively and strategically, rather than adding another entity to compete for the same pie.

 - Governmental members' annual contributions
 - Contributions of staff time, other
 - Fundraising:
 - Grants from governmental entities
 - Foundations
 - Corporations (both philanthropy and for marketing)
 - Individuals
 - Membership donations
 - Land revenues (sales proceeds, leases, etc. - direct or assigned by others)
 - Merchandising and social entrepreneurship

Community engagement

Additional work needed to determine role of community (i.e., existing neighborhood organizations, AFCAC and other advisory committees, other stakeholders) in:

- Input towards creation of new organization
- Participation on board
- On-going relationship between board and existing neighborhood organizations/advisory committees, and relationship between AFCAC as an umbrella advisory group and neighborhood organizations
- Whether new organization can/should facilitate some input processes to strengthen, streamline and coordinate
- Extent to which new organization will seek and respond to community input

RBR-Recommended Organization Model

Establishment

- State will be asked to statutorily establish (or authorize creation of) a public-private nonprofit charged with coordinating and facilitating riverfront revitalization. New body will have status as a legal entity and will have authority/powers noted above.
- New entity may begin modestly and grow over time into full set of functions.
- Long-term goal is to strengthen regional riverfront revitalization (starting with the relationship with St. Paul). Options that will be explored during Task 4 will include: a) two separate organizations working as partners, b) working with/through Met Council as a regional body, or c) creating a merged organization with St. Paul. May seek legislative authority for one or all options.

Interim task force support

In interim until formal approval and establishment of new entity, Riverfront Policy Oversight Task Force may ask appropriate members of Riverfront Blue Ribbon Task Force to continue to participate in one or more manners:

- Be involved in gathering input and building support during community outreach phase
- Assist in preparing the legislative proposal and seeking approval
- Advocate for establishment of new organization
- Do some initial fundraising

RBR-Recommended Organization Model _____

Recommended Functions of New Organization

RBR-Recommended Organization Model

Success Criteria

Will this organization model...?:

Be effective/efficient?

- Assure better coordination and cooperation?
- Enhance timely identification of priorities?
- Develop and then track quantitative measures of success?
- Assure for those who are working on riverfront projects that the process will be clear, predictable and reasonably efficient?
- Effectively handle all of the potential "balance points" that will present themselves and come to creative, productive resolutions?
- Be more flexible and entrepreneurial than what we have today?
- Be nimble and responsive to emerging possibilities, including acquiring key land parcels when they become available?
- By design, assure a place for all viewpoints to be presented and considered?

Keep the vision?

- Effectively implement all aspects of the vision of positive change for the riverfront?
- Embrace the vision of the river as an amenity equal to the chain of lakes?
- Serve as the "keeper of the vision," both near-term and over the long-term (20+ years)?
- Effectively articulate the shared vision at a high level and to the general community in a way that draws in support toward our collective, international aspirations?

Achieve the needed level of support?

- Have a clear champion for the work?
- Strengthen trust among various levels of government and the broader community?
- Attain the level of support needed to implement its work?
- Have the authority and support needed to further the vision of the river?
- Be politically sustainable, including over the long term (20+ years)?
- Create a sense of shared ownership and leadership?

Improve marketing/communication?

- Assure there are improved awareness, communication and public relations around riverfront activities?
- Educate about the importance of the river and why achievement of the vision is valuable?
- Generate excitement and enthusiasm for riverfront revitalization, both short-term and long-term?
- Effectively celebrate and market riverfront successes?
- Successfully send the message that all of Minneapolis is a river city?

Expand funding?

- Be effective in attracting additional funding and expanded resources?

Have the right focus?

- Continue the success experienced on the central riverfront?
- Represent the needs of the upper, central and lower gorge?

Support organizational values and systems thinking?

- Value inclusiveness and be willing/able to hear the multiple viewpoints (e.g., ecology, business)?
- Be able to use systems thinking to see connections and pursue opportunities for specific actions and decisions to achieve multiple aspects of the vision?

RBR-Recommended Organization Model

Minneapolis' Riverfront Revitalization Working Vision

Minneapolis treasures the Mississippi River as one of its premier assets and the reason Minneapolis exists. Leadership and resources are committed to assuring that both people and nature benefit from a healthy ecosystem, exceptional riverfront parks, world-class history and culture and a vital, livable community.

A healthy ecosystem

Minneapolisians are active stewards of the Mississippi River, treasuring it as a special, world-class resource. Humans and the built environment coexist harmoniously with the natural environment. Development uses sustainable approaches, accommodates river access and protects water quality. When the Mississippi River leaves Minneapolis, the water quality is as good as or better than it was when it entered the city. And, the river corridor provides a successful habitat for native plants and animals.

Exceptional riverfront parks

The river is lined with publicly accessible open spaces that feature the river and offer people recreation and places to enrich their spirits by connecting with nature. These open spaces are connected along the river and into the rest of the city by parkways, trails and greenways, so that all of Minneapolis feels like a river city. Appropriately located recreational features (including some that use the river itself for recreation) take advantage of natural and historic resources and provide a variety of activities for people of all ages and abilities.

World-class history and culture

Preservation and interpretation protect and build upon the authentic history and natural resources of the river, providing a distinctive sense of place. A variety of historical, cultural and educational features and programs attract people to the riverfront for unique and memorable experiences. These programs also reach out into all of Minneapolis to help residents understand how the river and the city have shaped each other. High quality design by both the public sector and private developers complements the significance of the river and, where appropriate, provides signature design that is an attraction itself.

A vital, livable community

Minneapolis' status as a renowned river city adds to the quality of life that attracts residents, businesses, employees and investors. The riverfront and riverway offer a thoughtful mixture of land and water uses that meet today's and tomorrow's needs and provide great places to live, work, play, learn and do business. Continued riverfront revitalization brings more housing, jobs, taxes, business opportunities and economic vitality to the city without jeopardizing the natural environment. Riverfront land uses benefit from proximity to the river, while also providing a benefit to the river corridor.



Approved by Riverfront Policy Oversight Task Force December 12, 2006

EXHIBIT C DRAFT LEGISLATION

Draft 1/17/08

Sec. ____ **NONPROFIT ORGANIZATION.**

Subdivision 1. Nonprofit organization may be established. Under Minnesota Statutes, section 465.717, subdivision 1, the City of Minneapolis established by Minnesota Statutes, section _____, , with the support of the Minneapolis Park and Recreation Board, may incorporate, create, or otherwise establish a nonprofit organization. The purpose of the nonprofit organization shall be to facilitate and support coordinated revitalization of the Mississippi riverfront within the city of Minneapolis defined in Minnesota Statutes, section _____, in order to achieve: coordination of multi-partner efforts and administration; development, fundraising and advocacy for identified priorities; marketing, promotion and communications; and planning and design input, along with targeted implementation. The organization shall be a private nonprofit organization and tax exempt under appropriate federal and state laws. The organization may accept gifts, membership contributions, donations, money, property, and other assets and may transfer, donate, or otherwise provide such gifts, membership contributions, donations, money, property, and other assets consistent with its dedicated purpose. The organization is subject to the application of other laws provisions of Minnesota Statutes, section 465.719, subdivision 9.

Subd. 2. Formation; board of directors; employees. The foundation's initial board of directors must include: a) at least one representative from the City of Minneapolis and the Minneapolis Park and Recreation Board, b) representatives of any other interested governmental organizations involved in riverfront revitalization in Minneapolis, and c) business leaders, representatives of civic and nonprofit organizations and representatives of community/neighborhood organizations. The members of the initial board must not be compensated by the foundation for their services but may be reimbursed for reasonable expenses incurred in connection with their duties as board members. Persons employed by the organization are not public employees and must not participate in retirement, deferred compensation, insurance, or other plans that apply to public employees generally.

Sec. 16. _____ **ASSISTANCE.???**

The City of Minneapolis may provide up to \$50,000 to help create and establish the organization. Until the organization is established and functioning, the City of Minneapolis may provide, from the funding made available under this section, office space and administrative support. The City of Minneapolis may accept gifts, donations, money, property, and other assets for purposes consistent with the organization's purposes and shall, when the organization is established and functioning, transfer such gifts, donations, money, property, and other assets to the organization. Other governmental bodies involved in riverfront revitalization are also authorized to provide funding to help create and establish the organization. The use of funds and resources

for these purposes by the City of Minneapolis and any other political subdivision of the State of Minnesota is a public purpose.

Sec. 17. **REPORT.**

On or before January 15, 2010, the City of Minneapolis shall prepare and submit to the chairs of the legislative committees and divisions with jurisdiction over metropolitan and local government, a report on the creation and establishment of the organization, including a description of the public and private funds and resources used to help create and establish the organization.

Sec. 19. **APPLICATION.**

This act applies in the city of Minneapolis [*expand to allow regional organization?*].

Sec. 21. **EFFECTIVE DATE.**

This act is effective the day following final enactment.

[*Add something about local approval.*]