

**City of Minneapolis**  
**Request for Committee Action**

**To:** Community Development & Regulatory Services  
**Date:** 3/22/2016  
**Referral:** N/A  
**From:** Community Planning & Economic Development  
**Prepared by:** Charles Curtis  
**Presented by:** Charles Curtis  
**File type:** Resolution  
**Subcategory:** Bond

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**Subject:**

YMCA of the Greater Twin Cities revenue bond issuance.

**Description:**

Passage of resolution approving the issuance of up to \$15,000,000 of 501 (c)(3) Tax-exempt Revenue Bonds for the YMCA of the Greater Twin Cities.

**Previous Actions:**

City of Minneapolis and the Minneapolis Community Development Agency approved previous 501 (c)(3) Tax-exempt Revenue Bonds in 1992 – (\$400,000), 2003-(\$1,400,000 and \$826,500), 2005-(\$5,000,000) and 2012-(\$1,719,917).

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**Ward/Address:**

Ward 3  
651 Nicollet Mall

**Background/Analysis:**

The YMCA of the Greater Twin Cities (YGTC) is a result of the merger between the YMCA of Saint Paul and the YMCA of Minneapolis in 2012. The organization serves 12 counties in the Twin Cities' metropolitan area and part of western Wisconsin. There are 27 locations and program sites, seven overnight camps, 10 day camps and more than 90 child care sites. The YGTC is the third largest YMCA in the United States and serves nearly 250,000 people each year. The YGTC provides financial assistance to almost 50,000 families and has 125,000 volunteer hours of service each year. The current downtown Minneapolis facility is located at 30 South 9<sup>th</sup> Street and includes both the member areas and the corporate headquarters.

The YGTC intends to purchase approximately 150,500 square feet of space on Floors 3-4-5 of the Gaviidae Common Building located at 601 & 629 Nicollet Mall. The space will be renovated to include 53,000 square feet for branch operations and 43,000 square feet of office space for the corporate headquarters. YGTC will sell the remaining 54,500 square feet. The YGTC is currently investigating possible purchasers of the space, but no commitments have been made. YGTC had to purchase the extra space as part of an all or nothing sale condition. YGTC will not use bond proceeds to fund the acquisition of the excess space.

The total cost of the project is estimated at \$37,100,000. The required funds beyond the revenue bonds will be raised with short term financing, operating cash, cash reserves, fundraising and the sale of the excess space. Completing the build-out of the facility will continue over three years, as funding becomes available through the various sources of funds.

The current downtown branch has 24 full time employees and 89 part time employees. After completion of the project, YGTC projects adding four new full time employees and 35 part time employees. The corporate headquarters has an additional 171 full time employees and 52 part time employees retained with the move.

The YGTC is currently reviewing a sale of its current 100,000 square foot facility at 30 South 9<sup>th</sup> Street.

The YGTC currently has an investment grade rating by Moody's.

Kennedy & Graven is Bond Counsel.

Piper Jaffrey & Co. is the Underwriter.

**Financial Review:**

**No additional appropriation required, amount included in current budget.**

Note: The City of Minneapolis Administration Fees will increase by approximately \$31,250 a year with the issuance of the 2016 Bonds.

- Future budget impact anticipated.**
- Approved by the Permanent Review Committee.**
- Meets Small and Underutilized Business Program goals.**

**Attachments:**

1. Resolution