

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

Date: June 17, 2008
To: Council Member Betsy Hodges, Intergovernmental Relations Committee

Subject: Local Approval Requirement – Minneapolis Riverfront Organization

Recommendation:

- 1) Adopt the attached resolution approving Laws of Minnesota 2008, Chapter 314;
- 2) Appoint Council Members Hofstede and Ostrow to represent the City of Minneapolis on the board of the new Minneapolis riverfront nonprofit corporation authorized by the legislation;
- 3) Authorize the appropriate City official(s) to enter into an agreement with the new corporation to provide \$50,000 in funding once the corporation is created; and
- 4) Direct CPED staff to review City policies and procedures and recommend changes to provide for input from the new corporation on proposed plans and projects that will affect the Minneapolis riverfront.

Previous Directives: On February 1, 2008, the City Council added to the 2008 City of Minneapolis state legislative agenda a request for legislative authorization to establish a new nonprofit corporation to support and coordinate continued riverfront revitalization in Minneapolis, 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. 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. (Additional information available at www.ci.minneapolis.mn.us/cped/riverfront_study.asp.)

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

 X Action is within the Business Plan

X Other financial impact – The \$50,000 in City funding for the proposed new riverfront nonprofit corporation 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 creation of the new organization.

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

Sustainability Targets – Not applicable.

Comprehensive Plan – Improved riverfront coordination will assist in achieving multiple policies, including 9.2 (Minneapolis will continue to preserve the natural ecology and the historical features that define its unique identity in the region) and 9.6 (Minneapolis will work with private and other public sector partners to invest in new development that is attractive, functional and adds value to the physical environment). In addition, the creation of a riverfront corporation was recommended in the City-approved *Above the Falls Master Plan*.

Zoning Code – Not applicable.

Living Wage/Business Subsidy Agreement	Yes _____	No <u> X </u>
Job Linkage	Yes _____	No <u> X </u>

Supporting Information

The 2008 Minnesota State Legislature has authorized the City of Minneapolis to create a new nonprofit corporation to facilitate continued riverfront revitalization in Minneapolis, conditioned upon both the City and Minneapolis Park and Recreation Board approving the legislation by July 1, 2008. This authorization was sought by the City and Park Board in order to implement the recommendation of the Riverfront Blue Ribbon Task Force that a new organization be created to 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. A copy of the legislation is attached, and adoption of the attached resolution will document the required local approval.

The legislation provides that the City and Park Board each will have two representatives on the new corporation’s board, with a total board membership of 10 – 24 and a specified public-private balance. Council Members Hofstede and Ostrow were appointed by the City Council in 2006 to represent the Council on the Riverfront Policy Oversight Task Force that has been overseeing the study that is culminating with this new nonprofit corporation. They are both interested in continuing to be active as board members for the new organization, which is tentatively being named the Minneapolis Riverfront Corporation. While the legislation was working its way through the process, a work group has been concurrently working on the articles of incorporation and bylaws for the new nonprofit and on identification and recruitment of board members.

The legislation authorizes the City and others to contribute to getting the new corporation up and running. The approved 2008 CPED budget includes \$50,000 for this purpose, and this report recommends that the City be authorized to enter into an agreement with the new nonprofit corporation to provide that funding at the appropriate time. This would be a one-time commitment, and any potential additional City funding contributions to the corporation would be the subject of future budget deliberations. The Park Board tentatively has agreed to contribute office space to the new corporation for a one-year period. Support from other sources, including other members of the new corporation, will be sought as the organization is being established, but none has been committed yet.

An important role of the new organization will be to assist in coordinating the activities of the various riverfront partners. To help achieve that goal, all of the governmental members of the organization are being asked to a) assign staff to work with the corporation to coordinate efforts and b) revise their policies and procedures to reflect their commitment to bring proposed plans and projects that will affect the Minneapolis riverfront to the corporation for input. The legislation provides that the City and Park Board will be members and that membership will be offered to Hennepin County, the Mississippi Watershed Management Organization (MWMO), University of Minnesota and National Park Service. As of the writing of this report, the MWMO has agreed to participate and others are considering the invitation.

**Proposed Resolution
of the
City of Minneapolis
By Hodges**

**Approving Laws of Minnesota 2008 Legislative Session; Chapter 314,
Pursuant to Minnesota Statutes, section 645.021.**

Whereas the Minnesota State Legislature has passed a law authorizing the City of Minneapolis to create a nonprofit corporation to support continued riverfront revitalization in Minneapolis; and

Whereas, the City of Minneapolis believes that the establishment of such a riverfront organization will serve multiple public purposes and will assist the Minneapolis community in achieving its riverfront vision.

Now, Therefore, Be It Resolved by the City Council of Minneapolis:

That said law be now approved and the City Clerk be directed to prepare and file with the Secretary of State the required certification of approval.

EXHIBIT A LEGISLATION

CHAPTER 314--S.F.No. 3303

An act relating to the city of Minneapolis; authorizing the creation of a nonprofit riverfront revitalization corporation; requiring a report.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **NONPROFIT RIVERFRONT REVITALIZATION CORPORATION.**

Subdivision 1. Nonprofit corporation may be established. The city of Minneapolis may create a nonprofit corporation under Minnesota Statutes, chapter 317A. The purpose of the nonprofit corporation must be to facilitate and support coordinated revitalization of the Mississippi riverfront within the city of Minneapolis. The corporation may seek tax exemption and 501(c)(3) status under the Internal Revenue Code. The corporation may accept gifts, donations, money, property, and other assets and may transfer, donate, or otherwise provide such gifts, donations, money, property, and other assets consistent with its dedicated purpose. The corporation may choose to exercise any of the powers granted to a nonprofit corporation under Minnesota Statutes, chapter 317A, including the acquisition and disposition of real estate.

Subd. 2. Formation; board of directors; employees. The corporation's board of directors must include at least ten and no more than 24 members, including at least two representatives from the city of Minneapolis appointed by the city council and two representatives from the Minneapolis Park and Recreation Board appointed by the Minneapolis Park and Recreation Board. No more than half of the board may be representatives of governmental entities, with membership to be offered to the Mississippi Watershed Management Organization, Hennepin County, the University of Minnesota, and National Park Service/MNRRRA. At least half of the nongovernmental members of the board must be representatives of (1) community or neighborhood organizations from both river-adjacent neighborhoods and the city at large or (2) Minneapolis riverfront residents. The other nongovernmental members may include business leaders and representatives of civic and nonprofit organizations and foundations. The members of the board must not be compensated by the corporation for their services but may be reimbursed for reasonable expenses incurred in connection with their duties as board members.

Subd. 3. Open meeting law; data practices. The Minnesota Open Meeting Law in Minnesota Statutes, chapter 13D, and the Minnesota Government Data Practices Act in Minnesota Statutes, chapter 13, apply to the corporation created under this section.

Sec. 2. **FUNDING.**

The city of Minneapolis or the Minneapolis Park and Recreation Board, or both, may provide office space, administrative support, and funding to help create and establish the corporation. Until the corporation is established and functioning, the city of Minneapolis may accept gifts, donations, money, property, and other assets for purposes consistent with the corporation's purposes and shall, when the corporation is established and functioning, transfer such gifts, donations, money, property, and other assets to the corporation. The city

of Minneapolis, the Minneapolis Park and Recreation Board, and any other political subdivisions of the state of Minnesota also may contribute gifts, donations, money, property, and other assets to the corporation for purposes consistent with the corporation's purposes. The use of governmental funds and resources for these purposes is a public purpose.

Sec. 3. **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 corporation, including a description of the public and private funds and resources used to help create and establish the corporation.

Sec. 4. **APPLICATION.**

This act applies to the city of Minneapolis.

Sec. 5. **EFFECTIVE DATE.**

This act is effective the day after both the city of Minneapolis and the Minneapolis Park and Recreation Board comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3. Compliance by both governing bodies must be completed no later than August 1, 2008, or this act is deemed to be disapproved, as provided by Minnesota Statutes, section 645.021, subdivision 3.