



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

**Date:** June 19, 2007  
**To:** Council Member Lisa Goodman, Community Development Committee  
**Subject:** Feasibility study for constructing a GLBT-focused community center on the “meter farm” site at 1501 Nicollet Ave S

**Recommendation:** Receive and file

**Previous Directives:** On March 30, 2007, the City Council rejected all proposals for 1501 Nicollet Ave (“meter farm” site) and directed CPED/Economic Development staff to work with OutFront Minnesota on the feasibility of constructing a GLBT-focused community center on the site and report back to the Community Development Committee within three months.

Prepared by: Rebecca Brown, Project Coordinator, 612-673-5018  
Approved by: Charles T. Lutz, Deputy Director \_\_\_\_\_  
Mike Christenson, Director of Economic Policy and Development \_\_\_\_\_  
Presenter in Committee: Rebecca Brown

**Financial Impact**

No financial impact  
 Action is within the Business Plan

**Community Impact**

Neighborhood Notification: N/A

City Goals:

- \* A safe place to call home (safe space for GLBT community)
- \* Connected communities (green space on “old” 15<sup>th</sup> Ave S toward Convention Center)
- \* Enriched environment (green space and sustainable building practices)
- \* A premier destination (focus point for GLBT visitors)

Sustainability Targets: N/A

Comprehensive Plan: 4.1 Minneapolis will encourage reinvestment along major urban corridors as a way of promoting growth in all neighborhoods

Zoning Code: N/A

Living Wage/Business Subsidy Agreement: N/A

Job Linkage: N/A

**Supporting Information**

On March 30, 2007, the Minneapolis City Council rejected three remaining proposals for the redevelopment of 1501 Nicollet Avenue North, after staff’s recommended proposal

withdrew their application. The City Council then directed CPED/Economic Development staff to work with OutFront Minnesota on the feasibility of constructing a Gay, Lesbian, Bisexual, Transgender (GLBT) community center on the site and report back to the Community Development Committee within three months.

On March 26, 2007, the Board of Directors of OutFront Minnesota authorized, “the Executive Director, working with the community center committee, to pursue the feasibility in of establishing a GLBT Community Center at 1501 Nicollet Avenue South.” Since their board’s decision, OutFront Minnesota has been busy coordinating and starting pre-planning work.

For many years, OutFront Minnesota has thought about and considered what the Minnesota GLBT community needs and wants in a community center. In 2006, they developed a web-based community survey to confirm or dispel their initial beliefs about what a GLBT community center would include. The results show that 91% of the 660 respondents are strongly supportive (442) or somewhat supportive (160) of the idea of a GLBT Community Center and 72% would be very likely or somewhat likely to use or visit a center. When asked if they would be willing to help financially support a center, 58% said they would.

The top components, which respondents hope to see at a center, are meeting rooms (97%) and offices for community organizations (97%). A different OutFront Minnesota survey of GLBT organizations showed meeting space as the top need in 2001, demonstrating this need has persisted for five years. The 2006 survey respondents also stated they would like to see a drop-in crisis center, welcome center for visitors, multi-purpose room, incubator space, and library/media center in a center.

In addition to the physical components of a center, OutFront Minnesota has also reflected on what a community center could mean to the GLBT community and the geographic community where the center is located. As a visible and permanent home to the GLBT community, they envision the center as a symbol of the community’s strength and power and reflection of their spirit and energy. The center will help build a strong future for the Minnesota GLBT community and make a bold and important statement of their community’s identities and values. The center will link GLBT and supportive communities across Minnesota with leading-edge technology, broadcasting events, meetings, and performances to homes, offices, and gathering places around the state. It is important to OutFront Minnesota that the project be an integral part of the community and neighborhood surrounding it. From the very start OutFront Minnesota staff have been intentional about moving forward with a great deal of community input. The center will be a GLBT-focused space but open and welcoming to all.

### ***Project Components***

The current vision of the center is a five-story, 35,000 square foot facility. Among the specific components identified to date are:

- Visitor Center/Welcome Area
- Office space for OutFront Minnesota, Quatrefoil Library, and 4 - 6 additional GLBT not-for-profit organizations
- 5 – 8 meeting rooms accommodating 15 – 75 people, one with media center

- One large event room to accommodate 200 people with catering facilities (possibly to double as Gay Men’s Chorus rehearsal space and perhaps One Voice Mixed Chorus)
- Coffee Shop
- Non-Profit Resource Center (not-for-profit incubator office space)

**Sources and Uses**

OutFront Minnesota’s 2007 budget for the community center includes \$130,815 for OutFront Minnesota staff time and \$140,000 for consulting and professional fees. The staff members working on the project are not new hires, but the \$140,000 for consulting and professional fees will be paid for from fundraising through the capital campaign. To start, OutFront Minnesota received a \$20,000 planning grant. Their fundraising goal for 2007 is \$850,000.

The chart below shows the estimated total project cost of \$12.0 million. As OutFront Minnesota continues to assemble the project team and committees, they will further refine the project scope and budget by September 30, 2007.

**SOURCES**

<b>Equity</b>	
Capital Campaign (75% individuals)	\$8,000,000
Capital Campaign (25% foundations)	\$2,000,000
Operating Endowment and Contingency Reserve *	\$2,000,000
<b>Total Equity</b>	<b>\$12,000,000</b>
<b>Long-Term Debt</b>	
<b>Total Debt</b>	<b>\$0</b>
<b>TOTAL SOURCES</b>	<b>\$12,000,000</b>

**USES**

Site Acquisition	\$600,000 **
Construction (\$200/sq ft)	\$7,000,000
Construction Contingencies (10%)	\$700,000
Furniture, Fixtures, Equipment (\$20/sq ft)	\$700,000
Soft Costs(\$20/sq ft)	\$700,000
Soft Costs (\$20/sq ft)	\$700,000
Management (year one @ \$10/sq ft)	\$350,000
<b>TOTAL USES</b>	<b>\$10,750,000</b>
<b>Funding Surplus/(Gap)</b>	<b>\$1,250,000</b>

\* The operating endowment will be raised through the capital campaign. Once hired, the Capital Campaign Consultant will help OutFront Minnesota work on a plan to set benchmark dates for raising key sums of capital.

\*\* Fair Reuse Value, determined by CPED staff appraiser, May 7, 2007.

**Development Team**

Developer	OutFront Minnesota
OutFront Minnesota Attorney	Borenstein McVeigh
Accountant	OutFront Minnesota

Communications Consultant	Teri Kwant (pro bono)
Project Manager	TBA June 19
Capital Campaign Consultant	TBA June 19
Real Estate Attorney	TBA by June 29
Architect	RFQ issued June 11, TBA mid-July
General Contractor	TBA
Construction Management	TBA

### **Phase I: Pre-development, March 26, 2007 – September 30, 2007**

OutFront Minnesota has three committees comprised of volunteers from the GLBT community and the OutFront Minnesota Board of Directors that are overseeing the community center project. Some members and co-chairs of the committees have been identified; all committees will be assembled by the end of phase I. The lists below show what has been accomplished thus far in phase I and the items remaining for the next three months.

1) The Steering Committee provides oversight of all aspects of the project not directly linked to the capital campaign or the physical building. Their accomplishments to date include:

- ✓ Identified two co-chairs
- ✓ Determined internal structure and needs for the project
- ✓ Developed plan for announcement at GLBT Pride (with Doug Kress)
- ✓ Developed detailed phase 1 budget
- ✓ Held meetings with key influencers, including John VanHeel and Jana Metge (CLPC); several potential tenants, including Family and Children's Services, Rainbow Families, GLBT Pride, and Quatrefoil Library; and potential committee members
- ✓ Initiated development of legal structure for community center

The Steering Committee's outcomes to meet by September 30, 2007 are as follows:

- ✓ Determine vision with Communications Consultant
- ✓ Develop communications plan
- ✓ Identify name for center
- ✓ Update OutFront Minnesota strategic plan (with Sharon Roe Anderson pro bono consultant)
- ✓ Develop budget, including capital and operating costs for next five years
- ✓ Meet with key influencers from Loring Park Community, GLBT Community, Funders/Donors, and others

2) The Capital Campaign Committee focuses on working with the capital campaign consultant to reach funding goals. Their accomplishments to date include:

- ✓ Identified potential early donors
- ✓ Scheduled meetings with early donors to raise pre-development funds
- ✓ Named female co-chair (Pam Endean)
- ✓ Drafted management grant for St. Paul Foundation, to pay for updated feasibility study
- ✓ Identified pro bono consultant to draft a Kresge Green Planning Grant

The Capital Campaign Committee's outcomes to meet by September 30, 2007 are:

- ✓ Name male co-chair

- ✓ Identify Capital Campaign Consultant
- ✓ Raise \$270,000 to fund Phase I (through September 30, 2007)
- ✓ Develop Capital Campaign Plan

3) The Building Committee oversees the work of the project manager, as well as the design and construction of the community center building and outdoor space. Their accomplishments to date include:

- ✓ Issued RFQ for architectural services (including request for plan for community input into design)
- ✓ Named female co-chair (Colleen Carey)
- ✓ Began interviewing project managers

The Building Committee's outcomes to meet by September 30, 2007 are:

- ✓ Name male co-chair
- ✓ Hire the project manager
- ✓ Hire architect
- ✓ Set date for initial plans to be shown to co-chairs, staff, board, and committees
- ✓ Answer question about whether to include housing component
- ✓ Answer questions about site assemblage and use of right-of-way

### **Phase II: Planning and Design, October 1, 2007 – May 30, 2008**

Phase II of the project will include most pre-planning and pre-development activity and run over eight months.

- On-going: Capital Campaign raising funds
- October - December 2007: Discuss program possibilities in the center
- January - February 2008: Neighborhood and community meetings coordinated and facilitated by architects
- March 2008: Completion of full concept plan
- March - April 2008: Submit Offer to Purchase
- May 2008: Go to City Council requesting for development rights
- June 2008: Present three-dimensional building and site design at Pride

### **Conclusion**

OutFront Minnesota is in the early development stages of this project. They are making solid progress at securing their team and developing plans and strategies for team members. The ability of OutFront Minnesota to meet the timelines of Phase I and II will depend on their ability to secure funds. Thus, a better determination of the feasibility can be made at the end of Phase I, in September 2007.

### **Steering Committee**

Paul Tuchman (co-chair)  
Julia Classen (co-chair)  
Colleen Carey  
Kelley Lindquist (is interested, meeting on 6/18)  
Pam Edean  
John Sullivan (met on 6/12, will confirm in June)  
Michael Robins

### **Capital Campaign Committee**

Pam Edean (co-chair)  
John Sullivan (is interested in co-chair, will confirm in June)  
*~ to be filled out in June ~*

### **Building Committee**

Colleen Carey (co-chair)  
Kelley Lindquist (is interested in co-chair, meeting on 6/18)  
*~ to be filled out in June ~*

### **Community Advisors**

(group invited to early planning session)

Jan Berry  
Colleen Carey  
Kit Hadley  
Tom Hoch  
Andrea Jenkins  
Robert Lilligren  
Kelley Lindquist  
Anne Little Long  
Paul Mellblom  
Tom Nordyke

### **2007 OutFront Minnesota Community Services Board of Directors**

- |                               |   |
|-------------------------------|---|
| 1) Michael Robins, Chair      | Executive Director, Illusion Theater  |
| 2) Jane Eastwood, Vice-Chair  | Director of External Relations and Partnerships, Minneapolis Public Library |
| 3) Bradley Froslee, Secretary | Pastor, St. Luke's Presbyterian Church                                      |
| 4) Bob Ball, Treasurer        | Retired   |
| 5) Maggie Shannon George      | Consumer Insights Director, General Mills Inc.                              |
| 6) Fabian Hoffner             | Attorney in Private Practice  |
| 7) Andrea Jenkins             | Policy Aide, Minneapolis 8 <sup>th</sup> Ward                               |
| 8) Robert Lilligren           | Council Vice President, Minneapolis City Council                            |
| 9) John Moore                 | Co-owner, The Saloon  |
| 10) Eileen Scallen            | Professor, William Mitchell College of Law                                  |
| 11) Paul Tuchman              | President, Outsmart Marketing   |