



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

**Date:** August 9, 2011

**To:** Council Member Lisa Goodman, Community Development Committee  
Council Member Betsy Hodges, Ways and Means/Budget Committee

**Subject:** Authorization to Enter into Consulting Agreements for Peavey Plaza

### **Recommendation:**

1. Pending approval by the Permanent Review Committee, waive the City's procurement policy requiring an RFP and authorize staff to enter into an agreement with HR&A Advisors to provide services in an amount not to exceed \$60,000; authorize an additional \$38,500 to amend the agreement with Conurbation; funding for these consulting services to facilitate and enhance the sustainability of Peavey Plaza will ultimately be repaid through state bond funds when the agreements with the State of Minnesota are finalized later this year.
2. Authorize an increase in the 2011 Preliminary Planning Fund (01CPP) allocation for Project Code MCPP181 (Peavey Plaza) in the amount of \$98,500 from the unallocated appropriation balance within the fund. After such action the unallocated balance of appropriation within the Preliminary Planning Fund will be \$236,881 and the amount appropriated to the Peavey Plaza PPF account will be \$249,250 for staff and consultant work.

**Previous Directives:** On November 19, 2010 the City Council authorized staff to enter into negotiations and execute an agreement with Oslund and Associates in an amount for Phase 1 not to exceed \$250,000, approve a capital advance of \$250,000 from the Development Account to Capital Projects---Other, and delegate to the Finance Officer authority to establish appropriations from state bonds and private funds raised from a capital campaign for revitalization of Peavey Plaza. On September 24, 2010 the City Council authorized CPED staff to issue a Request for Proposals (RFP) consistent with the process outlined in this report; on Feb 16, 2010 the City Council authorized CPED staff to issue the Request for Qualifications consistent with the process outlined in this report.

### **Department Information**

Prepared by: Beth Grosen, CPED (5002)

Approved by: Chuck Lutz, Deputy Director, CPED \_\_\_\_\_

Presenters in Committee: Chuck Lutz, Beth Grosen

## Reviews

- Permanent Review Committee (PRC): Approval Yes Date January 21, 2010
- Civil Rights Approval Approval \_\_\_ Date N/A
- Policy Review Group (PRG): Approval \_\_\_ Date N/A

## Financial Impact

- Funds to pay the fees of the consultants will come from state bond funds approved by the legislature and private contributions for the project. Bridge funding of \$98,500 will be reimbursed following execution of agreements with the State of Minnesota for state bond funds.

## Community Impact

- Neighborhood Notification. Staff is currently working with a Community Engagement Committee that has been organized around the Orchestra Hall/Peavey Plaza project.
- City Goals
  - Livable Communities, Healthy Lives—Plentiful arts, cultural, and recreational opportunities.
  - Eco-focused—World class parks fully enjoyed.
- Comprehensive Plan. Consistent
- Zoning Code. Consistent.

## Supporting Information

The City and the Minnesota Orchestral Association (MOA) are collaborating in the revitalization of Peavey Plaza and Orchestra Hall, which are adjacent to one another and together comprise a full city block, as a single project. The MOA and the City hope to improve both Peavey Plaza and Orchestra Hall in a way that increases physical and programmatic connections between Orchestra Hall and Peavey Plaza and integrates the entire block into the surrounding urban fabric.

The MOA, through the City of Minneapolis as Fiscal Agent, has received \$16 million in bond funding from the Minnesota State Legislature in the 2010 session for the purpose of financing a portion of the costs of both projects. Two million of the sixteen million are set aside for Peavey Plaza. The plaza revitalization is estimated to cost between \$5-6 million. The balance beyond the state bond funding will come from private contributions raised by the Mayor and representatives of MOA.

The Request for Qualifications was issued August 6, 2010 and the short list of qualified landscape architectural firms was selected by the Review Committee in mid September 2010. Close Architecture, Coen and Associates, Damon Farber and Associates, and Oslund and Associates were invited to submit proposals by Oct 15. Public interviews with final candidates were held on November 16 at the Minneapolis Convention Center, preceded by a morning “Meet and Greet” event with the firms showing examples of their work and an opportunity for them to answer questions by the public. The Design Review Committee selected Oslund and Associates as the preferred landscape architectural firm and the City Council on November 10, 2010 approved entering in to an agreement with Oslund Associates to lead a two-phase design process culminating in the revitalization of Peavey Plaza.

Phase One of the design process is still underway. Several input sessions have been held with relevant stakeholders including representatives of the MOA, the City, and the Community Engagement Committee (CEC) for purposes of gathering input on programming and design concepts. Design concepts are still under development. The Minnesota Orchestra retained HR&A earlier this year to assist in developing a strategic plan for Peavey Plaza. This work has been presented to the Review Committee that has been meeting regularly to review both design and programming efforts. HR&A is a unique firm that blends experience working with cities with pragmatic experience related to design, construction, operations, fundraising and maintenance of premiere public plaza spaces. Goals for the HR&A work are to ensure that the revitalization will encourage active use, expand programming, and develop sustainable financial models for the long term. This work has been very helpful to the project and should be continued with a contract directly between the City and HR&A. The second phase of their work will advance the development of a comprehensive business plan and provide inputs for design. Key components of this phase include:

#### Task 1—Revenue Analysis

Two types of revenue will be studied: Food Concession and Programming. HR&A will advise on proper siting, infrastructure requirements, revenue potential and lease structure, process and criteria for operator selection. Their research will include local interviews, concession planning consultants, and studying comparable parks/spaces. Programming revenue will also be studied to assess the potential to increase efficiency and number of revenue-generating events. HR&A will also work collaboratively with the Peavey Plaza Core Team to recommend specific physical elements to include in the design.

#### Task 2--Consolidated Action Plan and Implementation Support

When a preferred design is chosen in the next 60-75 days, HR&A will create a single presentation for building consensus. This power point will include design, mission, vision, programming, funding, and recommendations for management structures that will lead to success. This presentation will provide collateral for public sector, the community, critical corporate and philanthropic stakeholders and funders.

The HR&A contract includes at least 2 two-day trips to Minneapolis in the next two months.

The City has also contracted with Peter Brown of Conurbation, Inc. to serve as an owner's representative for the Peavey Plaza project through a standard agreement. Peter has been an effective advocate and facilitated communication between the Architect, City, and Orchestra during the last eight months. Additional funding of \$38,500 is required to extend the Conurbation contract through early 2012.

This fall the City Council will be asked to approve a concept design recommended by the Review Committee, and authorize the second phase of the architect's contract with Oslund and Associates. Construction on the project will be completed in 2013.

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| • January 2011   | Landscape architect under contract                       |
| • February 2011  | Concept design begins                                    |
| • September 2011 | Concept design complete (Phase I)                        |
| • October 2011   | Approval of final alternative by stakeholders, City, MOA |
| • April 2011     | Construction Documents complete (Phase II)               |
| • July 2012      | Construction start                                       |
| • September 2013 | Construction complete, Peavey Plaza grand opening        |

On February 11, 2011 the City Council approved an allocation of appropriation from within the Preliminary Planning Fund for the Peavey Plaza project in the amount of \$85,750. In part, this report is requesting the Council to approve an increase in the project allocation by an additional \$98,500. This allocation request will not increase the appropriation within the Fund, but will redirect \$98,500 of the unallocated appropriation balance to the Peavey Plaza project. The unallocated appropriation balance within the fund will be \$236,881, and the total amount of the PPF fund allocated to the Peavey Plaza project will be \$249,250.

The costs to be financed with this increased allocation are reimbursable from the State bond proceeds allocated to the project.