



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

Date: October 25, 2011

To: Council Member Lisa Goodman, Community Development Committee
Council Member Sandra Colvin Roy, Transportation and Public Works Cmte.
Council Member Betsy Hodges, Ways and Means/Budget Committee

Subject: Peavey Plaza: Authorization to Approve Concept Design, Authorization to Execute Design and Consulting Agreements for Peavey Plaza

Recommendations:

Community Development /Transportation and Public Works Committees:

1. Approve Phase I Concept Design for Peavey Plaza
2. Authorize execution of Phase 2 of contract with Oslund and Associates for up to \$800,000 to complete design development, construction documents, and construction administration.
3. Authorize execution of contract with HR &A Advisors for up to an additional \$100,000 for further design consulting services related to implementation, capital and operating budgets, and development of a new organizational structure for Peavey Plaza.
4. Authorize reimbursing the Minnesota Orchestral Association for \$69,080 for design consulting services related to Peavey Plaza previously completed in 2011 by HR & A Advisors.
5. Authorize up to \$25,000 to pay for soil borings for the site.
6. Authorize City staff to negotiate with Minnesota Orchestral Association and the State of Minnesota regarding a long-term lease, grant and other agreements related to state bond funding for Peavey Plaza and Orchestra Hall improvements.

Ways & Means/Budget Committee:

1. Approve a capital advance in the amount of \$970,000 from the Common Project Reserve(01CPZ –Common Project Reserve) to Capital Projects – Other (01CPO-Capital Projects Other) to pay for design fees to be reimbursed from state bond proceeds following execution of agreements with the State of Minnesota.
2. Amend the 2011 General Appropriation Resolution by increasing the Community Planning and Economic Development Agency Fund 01CPO-Capital Projects-Other (01CPO-8900320) appropriation by \$970,000 from the available fund balance.
3. Adopt the attached resolution authorizing the capital advance referenced above.

Previous Directives:

- On August 19, 2011 the City Council waived the City’s procurement policy requiring an RFP and authorized staff to enter into an agreement with HR&A Advisors to provide services in an amount not to exceed \$60,000 and authorized an additional \$38,500 to amend the agreement with Conurbation; authorized an increase in the 2011 Preliminary Planning Fund (01CPP) allocation for Project Code MCPAP181 (Peavey Plaza) in the amount of \$98,500 from the unallocated appropriation balance within the fund.
- 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 Concept Design not to exceed \$250,000, approved a capital advance of \$250,000 from the Development Account to Capital Projects-Other, and delegated to the Finance Officer authority to establish appropriations from state grant 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);
- On February 16, 2010 the City Council authorized CPED staff to issue the Request for Qualifications.

Department Information

Prepared by: Beth Grosen, CPED (5002)
 Approved by: Charles T. Lutz, Deputy Director, CPED _____
 Presenters in Committee: Charles T. Lutz

Reviews

- Permanent Review Committee (PRC): Approval: Yes Date: August 25, 2011
- Civil Rights Approval Approval: ___ Date: _____
- Policy Review Group (PRG): Approval: ___ Date: _____

Financial Impact:

Funds to pay the fees of Oslund and Associates and HR &A will come from state grant funds approved by the legislature and private contributions for the project. Bridge funding of \$969,080 will be reimbursed following execution of agreements with the State of Minnesota for state bond funds.

Community Impact:

- Neighborhood Notification: Staff is working with a Community Engagement Committee that has been organized around the Orchestra Hall/Peavey Plaza project. The CEC met several times in the past year and reviewed the preferred design on October 12, 2011. An open house for the public was held on October 19, 2011.
- 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 together comprise a full city block, bounded by 11th Street South, 12th Street South, Marquette Avenue and Nicollet Mall. The City and MOA's goal is to design Peavey Plaza so as to increase physical and programmatic connections between the plaza and Orchestra Hall; make the plaza more accessible and safer; transform the plaza into a signature park and return it to its original stature as a regional destination; ensure the long-term sustainability of the plaza; honor the original design of the plaza; make the plaza more functional for its actual uses, and integrate the entire block into the surrounding urban fabric.

The 2010 legislature authorized a grant of \$16 million grant from general obligation bond funding funds to the City to pre-design, design, construct, furnish and equip the renovation of Orchestra Hall, including \$2 million for Peavey Plaza.

In June 2009, the MOA retained the Toronto-based firm of Kuwabara Payne McKenna Blumberg (KPMB) as architect for the Orchestra Hall project. The MOA concept design for the Orchestra Hall project was completed in 2010. Construction on Orchestra Hall will begin early in 2012 and be completed in June 2013.

The City of Minneapolis issued an RFP in August 2010 for a landscape architect to design Peavey Plaza. Following an extensive, open process that included public interviews of four firms by the Review Committee (see below), the City Council approved Oslund and Associates and a set of subconsultants for this work. Subsequent to that action, the City entered into an agreement with Oslund and Associates to lead a two-phase design process, with initial authorization to complete a concept design.

In 2010, the City established a Review Committee for purposes of: (1) recommending a landscape architect to design Peavey Plaza to the City Council; (2) guiding the design process and recommend a design of the plaza to the City Council; (3) overseeing the construction process of the plaza. Review Committee members are:

- Mayor RT Rybak
- Council President Barbara Johnson
- Council Member Lisa Goodman
- Council Member Sandy Colvin Roy
- State Senator Scott Dibble
- Michael Henson, President and CEO of the MOA
- Marianne McKenna, lead project architect from KPMB

The MOA also established a Community Engagement Committee (CEC) to ensure that residents, businesses and other stakeholders in the Peavey Plaza area would be able to review and provide comments on the design of the plaza as it evolved. In addition to the CEC, the City and MOA sponsored three public open houses in February, June, and on October 19. People were invited to respond as to what is valued and desired in a revitalized plaza. The results of a February online survey revealed the most desired elements are music, water feature, gardens, public art, WI-FI, and food available for purchase.

Earlier this year, with staff approval, the MOA entered into a contract with New York-based HR&A Advisors to assist in developing a strategic plan for Peavey Plaza. The firm has extensive experience with design, construction, operations, fundraising and maintenance of signature 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 model, business plan, and organizational structure for the long term. Due to a timing issue with available City funds, the MOA fronted fund for the first phase of HR & A's work and is now seeking reimbursement for that expenditure -- \$69,080 (say \$70,000 with expenses) -- from the City which will ultimately be reimbursed from state bond funds. In August 2011 the City entered into a contract with HR&A for \$60,000 to continue Phase II of the work started under the MOA's contract. Staff's recommendation is to reimburse MOA for its expenditures and authorize an additional contract amendment for \$60,000 for HR&A for additional phases of their work, which would include development of a new organizational structure for management of Peavey Plaza in the future. This contract would be paid for out of state bond funds.

Original Design

Peavey Plaza was originally designed in 1974 and built in conjunction with the construction of the Minnesota Orchestra's new concert hall. The City hired New York landscape architect M. Paul Friedberg, known for his modern urban aesthetic. Working with the existing excavated and depressed site, Friedberg introduced a series of terraces and water, with green space and hardscape, characteristic of post-World War II landscape design. The design included more grass than is present today as the original program for the plaza was for less intensive, informal park use. Fountains were installed, with 1950's pump technology. The plaza was constructed on several elevations, with the lowest level at 10.5 feet below the grade of Nicollet Avenue.

Existing Conditions

Working with the City's Public Works staff, Oslund and Associates completed a comprehensive facilities assessment for the plaza. The key conclusion is that the plaza has failing and inadequate infrastructure as noted below:

- Peavey Plaza is not ADA compliant; the only ramp available is accessible from 12th Street, but has too steep a grade.
- The many different grade elevations of the plaza create several small "rooms" that can be intimate but don't accommodate a large crowd wishing to be part of single event at the same elevation.
- Storm water from 90% of the plaza area runs into the fountains. This does not comply with modern storm water regulations, and creates an unusually large volume of water requiring sanitary water treatment.
- Trees are mature but struggling and in poor health due to root constraints and damage from running utilities along their trunks.
- Two of the three pumps for the system are not operable, as parts are no longer available, which means that water is pumped to only a portion of the original fountain.

- The plaza was originally programmed and designed as a park, not an event space, but over its 35-year history, it has evolved into an intensively used event space hosting large crowds for large formal music and other events. As a result, over time much of the grass has been replaced with concrete because it has been unable to withstand the heavy wear and tear from these crowds. The plaza was never designed to include the type of infrastructure required to support large events including power, light, water, gas, data, and other utilities required both for events and for temporary vendors that support events. A lack of standards for tents and structures for temporary vendors results in an aesthetically disjointed or unattractive experience for event goers.
- The fountains now reflect the damage of time and erosion from moving water. The stainless steel vertical pipes for the fountain have been stained to a bronze color by iron-rich water. Concrete that has been touched by water is discolored and eroded. Much of the plumbing is 20 feet underground, and encased in concrete. Replacing this plumbing will require demolition and replacement of concrete.
- The southeast corner of Peavey Plaza is often plagued with inappropriate social behaviors, including drunkenness and vagrancy. The plaza was constructed before the innovation of Crime Prevention Through Environmental Design (CPTED) standards to reduce crime through better design principles. (The four basic CPTED principles are natural surveillance, natural access control, territorial reinforcement that enhances social control, and good maintenance.)

The City owns and maintains Peavey Plaza. Maintenance costs for Peavey Plaza vary but have averaged approximately \$250,000 in recent years. This consists of approximately \$100,000 for fixed costs such as taxes and service charges to the former Nicollet Mall O&M District and now the DID Special Service District, stormwater fees, utility charges, etc. The remaining \$150,000 are for discretionary maintenance costs that could be reallocated for future maintenance and programming of the new Plaza. An intentional effort has been made in recent years to hold the line on maintenance costs, including the decision not to repair some fountains and other infrastructure and to reduce the staff time at the plaza.

Design Concepts and Recommendation

The Peavey Plaza Review Committee explored many design options: (1) replacing the plaza's existing elements; (2) a completely new design; (3) various design hybrids that included existing and new elements.

The replacement approach proved to be the most expensive – in excess of \$10 million in hard costs as compared with other schemes that cost between \$6 and \$8 million in hard costs. Because of challenges with existing conditions, rather than repair or restoration all the existing elements, including concrete, fountains, plumbing, etc. would need to be effectively replaced with new similar elements. Replacement would not result in an improved design that is any more effective than the original design in terms of programming for formal and informal use, intensive use for events, easy convenient and dignified access, and more safe and less prone to nuisance behavior through the use of Crime Prevention Through Environmental Design (CPTED) principles, which cannot be integrated into the existing design.

After considerable study and evaluation, the Review Committee on October 18 recommended to the City Council a new design that pays tribute in many significant respects to the original Friedberg design. Specific design elements include:

- A water feature flanked by wide stairs that allow for natural seating and perpendicular spaces on several levels honor the style elements of the original Peavey Plaza.
- A tree-lined promenade with pergola along Nicollet Mall will provide green inviting space and shade, and will serve to draw pedestrians into the plaza.
- A water wall near the 11th Street entrance adjacent to the new Orchestra Hall City Room and two expansive pools with dancing fountains and shallow still pools (one-half inch depth). For special events, these pools can be easily drained, and as many as 1500 chairs placed for a large concert.
- A flexible performance space designed for event and non-event days. Portable stage equipment would be placed under a canopy parallel to 12th Street in the center of the plaza for an event. The space will not appear “empty” on non-event days. The performance space will also have a green roof and a green wall on 12th Street.
- A long ramp parallel to the Mall is incorporated into the stair design. The ramp provides a gracious, obvious, and fully accessible path down to all grades of the plaza. (Most of the plaza is no more than 4 feet below street level except for one small area that is 7 feet below street level. The existing plaza has a maximum depth of 10 feet 6 inches.)
- A permanent food concession facility is planned on the corner of 12th and the Mall. Lawn bowling or other active options are planned for grass in the southeast corner.
- If the fundraising is successful, certain elements may be added to the base project. These include a sound garden involving a grid of dynamic LED lights in the major entry to Peavey on the 11th Street side near the new entry to Orchestra Hall; water walls and an interactive LED screen behind the performance space; and public restrooms on the 12th Street side above the maintenance and utility storage area.

This design will be compelling to both event and non-event users. Downtown employees will buy lunch at the plaza food concession and enjoy a quiet respite near the fountains or on the stairs of the plaza. Residents living nearby will enjoy revitalized space that is fun for all generations. The plaza space will be an even more effective informal gathering area for community events such as a Twins’ opener or postseason celebration. The space will have all the appropriate infrastructure for temporary vendors including tents, power, gas, and internet built into permanent bench seating along the promenade. More activity offerings including lawn bowling will provide users a feeling of greater safety. Potential private funders will also find the design desirable, with several attractive special features that could be named by a funder if desired.

Public comments on the new design will be provided to Council Members in a separate document.

Historic Resource

As part of the Section 106 review for the Southwest LRT project’s Environmental Impact Statement, the Minnesota Historical Society listed many downtown properties as eligible for listing on the National Register of Historic Places including Peavey Plaza, Loring Greenway, First Baptist Church and Jackson Hall, Young-Quinlan Building, Dayton’s Department Store, Murray’s Restaurant and Cocktail Lounge, Gluek’s Bar, and two Northern States Power Company sites. Peavey Plaza has never been locally designated.

While the Oslund design captures the essence of Peavey, it corrects the unintended flaws of the original design. Later in the design process the Minneapolis Historic Preservation Commission will hold a public hearing and consider an application for a demolition permit. All HPC decisions are appealable to the City Council.

Operations, Maintenance and Programming

As noted above, work continues on development of a business plan for long-term sustainability. HR&A Advisors will recommend an entity to effectively operate, fundraise for, and program the plaza. This entity may be an existing or new non-profit organization and to be successful it will have strong leadership; a clear motivation; expertise, capacity and interest; the ability to solicit, accept and spend funds from multiple sources; and accountability to the public.

An operating model for the plaza will be presented to the Review Committee either later this year or in 2012 and will be subject of a future City Council action.

Funding

With respect to state bond funds, the City and MOA will enter into a long-term lease arrangement in order to make the Orchestra project eligible for bond proceeds. Discussions continue with the key State officials to negotiate final agreements. There is urgency to complete the Peavey design and fundraising in order to finalize project costs and state bond agreements and to receive reimbursement for initial expenses.

The MOA has secured its private funding commitments for its expansion and will be receiving final planning development review and approvals later this year. MOA plans to bid the project in coming months and begin construction in Spring 2012. Both the Orchestra Hall and Peavey Plaza projects are intended to be completed in advance of Sommerfest in 2013.

Total development costs for Peavey Plaza, which include hard and soft costs, will be \$8-10 million. The MOA and Mayor Rybak are providing key leadership in securing private funds for its development. An approved plaza design is an important component to their work. It is possible that individual components of the plaza could be offered as naming opportunities for major private donors. The schedule for the Peavey Plaza is based upon the concurrent opening of Peavey Plaza and the Orchestra Hall expansion in time for the 2013 Sommerfest. This schedule is aggressive and Peavey Plaza may not be fully completed until later in 2013. The schedule is as follows:

- Start of construction/groundbreaking: April 2012
- Completion of Construction and grand opening: June 2013

The costs to be financed with this increased allocation of \$970,000 are reimbursable from the State bond proceeds allocated to the project. This includes up to \$800,000 for design fees to Oslund at previously agreed to rates, up to \$100,000 for additional HR &A services, up to \$25,000 for soil borings on the site, and up to \$70,000 to reimburse MOA for previous HR & A work.