

Whittier Alliance Board of Directors: September 23, 2010, 6-8:30, Whittier Elementary

Present: Anthony Carchedi, Laura Jean, Erin Sjoquist, Erica Christ, Tom Bissen, Jesse Oyervides, Robert Nogler, Felino de la Pena, David Bagley, Christina Le, Michael Tupper, Maurice Battle **Absent:** Lisa Vecoli, Daphna Stromberg, Rob Davis, **Staff:** Marian Biehn, Jessica Rosenberg **Guests:** Councilmember Robert Lilligren, David Rubedor, Bob Miller, Debbie Evans

Call to Order: The meeting was called to order at 6:10pm. The standard of conduct and conflict of interest were noted. The agenda was presented and a **Motion** to approve w. the additions of Bob Miller and Debbie Evans. from NRP, Board Development, the 2011 Budget, and GiveMN. **Carried. Comments from the Chair:** We don't have a lot to vote on, have time for discussion about NCR, let's make it productive. We aren't here to accuse anyone of anything, but to figure out how the future is going to work. We now also have NRP staff here to answer questions, but let's save questions about NRP for them; don't need to ask questions about NRP (the past) to NCR & CM Lilligren.

Secretary's Report: We don't have a secretary. **Motion to nominate** Laura Jean as Board Secretary, moved, seconded and **Carried.** The August minutes were presented and **approved.** Attendance was presented: 10-0, 4-1, 0-2, 0-3, 1-Reinstatements 2 Resignation. **Exec. Committee:** By request of the board, CM Robert Lilligren & NCR Dir. David Rubedor agreed to come to the board meeting to discuss the NCR and city involvement as it pertains to n'hoods. On the agenda during the Exec Committee report but will be postponed to later in the mtg.

Motions from Standing Committees: Maurice Battle was not present to report. No motions from CI or BA. David recapped the CI meeting: Dean Duvolis of DJR Architects presented on the plans for the corner of 26th & Nicollet. Azia is in negotiations w. the new owners about going back into their space. Sushi bar would become a tea house, and there is interest in the Taco Morales space; plan to restore the apts. above Azia. Will take down the Hiep Thanh grocery building, expose the Icehouse. Icehouse is two parts, talk of a restaurant in part, restaurant into Sinbad's. They have already done work to un-condemn one of the buildings. Restoring the Azia building, apts and restaurant space is 1st step. They say they have restaurants interested, believe taking down building and creating parking-plaza, they will have enough parking for 4 restaurants. Historic designation? Some potential, given value of Icehouse and ice industry. It is the only remaining Icehouse in the city. Isn't this what we see: Good plans and then it gets whittled down to nothing? Perhaps, but Remes got the building and land so cheaply (Huey was so close to foreclosure, might have been short sale). Often people have to make \$ back from purchase price, but not here. Remes owns Midwest Outdoor, billboard and outdoor advertising. His LLC bought the Theatre de June Lune space. At CI, Solar person didn't come, so we asked CM Lilligren to speak, was discussion of NRP-NCR transition. Does city have ability to increase TIF district to 100%? By statute, yes, but relationship w. county means no. If it is true, that county pulled out, and that they are blocking a move to 100%, and CM Lilligren is right, then what? MB says that the county never had the option to comment on how much they wanted to recertify.

Debbi Evans, who was at the Board meeting as an observer offered to make some clarifications regarding the NRP. Debbie has been on the NRP board for 7 years. She said that a lot of the discussion is implication versus fact. As far as Debbie knows, from NRP, the n'hoods, there was a hearing w. the city council, about funding the TIF districts, 150 there, 60 spoke, all wanted 100% funding of TIF districts. Discussion from lobbyists, at capital was funding 50%. City had a year to decide what % of any, of that 100% that they wanted. In Whittier, under NRP, we were a redirection n'hood. Whittier gets a disproportionate amount of the funding due to the amount of work to do. In contrast, through NRP Linden Hills puts out far more than it gets back, Whittier gets back more than it puts out, as it should be. Whittier, unlike a protection n'hood, can leverage a lot. Debbie believes people come to meetings b/c they want to do something, and that w.out \$, and a seat at the table, where are you? NCR is not allowing \$ amount to n'hoods to be public. NRP put out formula and dollar amount, NCR won't put out the dollar amount, and we can't see what's happening w. the rest of the budget, how the department is funded. NCR has 8.5 people this year, next year 16 (2 from NRP transfer) Do you have insight on what the county's history and position on this is? Debbie doesn't know, but thinks city went to county and said they wanted to do 50%. County is more upset about the way the city did the Target Center, a bad investment. City went to legislature w. proposed bill, it passed through all 4 committees w. support for NRP. City influenced using TIF to fund Target and instead of N'hood Revitalization Program, "Neighborhood Revitalization Purposes," which can mean anything that elected officials choose. Annual budget for NRP vs. annual budget for NCR? Not apples to apples comparison; will be funded very differentl. NCR will be yearly dispersal and significantly less. TIF at 100% would be between 24-26 mill. At 50%, 12-13 mill, and then take out Target Center debt payments. There is no stipulation in statute to say what proportion goes to N'hood Revitalization Purposes and what to Target.

Pres. Task Force. Hess Roise will send a draft of some guideline chapters tomorrow. Read them, send comments to MB, she will put them together and send to Hess Roise. The 2011 n'hood calendar will be preservation calendar,

featuring 12 buildings: commercial, mansion, homes, apts. Looking for photos of when they were built, put them in cameo, use calendar as ed.: why historic preservation is green, economical, good. We have an intern doing design work. Who is on the committee? Task force members identified, including many newly active community members.

Finance Committee. Tom Bissen: Whittier CDC funds. Erica announced that the board move into Exec. Session, requested that staff, guests leave. Staff, guests were invited back into the room, the regular board meeting resumed.

Motion FC 3: The Finance Committee moves to terminate the Whittier Alliance relationship w. the Economic Growth Center (formerly the Whittier Com. Development Corporation) and move the balance of the Commercial Revolving Loan funds to the WA Phase 2 Action Plan Business and Local Econ. commercial loan strategy D.1.2.3.

Motion Passes 11-0-1.

Aug Financial Statements. The cash balance, assets, liabilities, August income and expenses, and contracts were reviewed. We are doing well staying on budget YTD. The 2011 budget will be a topic of review in Oct. Please look at the annual budget on your financial report and give your input

Motion FC 1: The WA Board of Dir. accepts the August 2010 financial report for the Whittier Alliance. **Carried.**

Board received and filed **Motion FC 2:** The Finance committee approves the upgrade from a B/W leased copier w. a maintenance agreement to a color copier w. a maintenance agreement for the Whittier Alliance office.

Executive Committee. Erica Christ: CM Robert Lilligren & NCR Dir. David Rubedor are here to talk about the NCR program. Erica introduced them and commented that we are a n'hood that really benefited from NRP. We had ambitious plans, convinced city to give us a lot of \$, did a lot w. it. So this makes us nervous, this much less \$. We have a history of success w. big projects. We understand that for other n'hoods (smaller, more volunteers) the new plan might work, but how will this work for a n'hood like ours? We will have to make changes we don't want to make. MB: the \$ that is being allocated is for admin. Part of what's being requested in strategic planning is for n'hood initiatives. The \$ available doesn't satisfy our appetite for neighborhood development initiatives like Eat St, Whittier Elementary. How do we keep energy going when the \$ is only enough for flyers?

RL: There will be less \$ for both admin and other things. The mechanism is similar to the 2 phases of NRP: using downtown property tax dollars and redistributing it out to n'hoods. Biggest difference is that the county opted out. That had been 50% of the dollars. TIF districts are a municipal tool. Cities get to use them, and cities collect them. But the prop tax dollars are the same that the county and schools levy.

David R: TIF revenue will generate \$5-5.5 mill/yr, subject to economic changes. It is less \$. 3 project streams: 1. Community Participation Program. Met w. 64 of 71 n'hood orgs and asked w. less, how are we going to use this effectively? [CPP] will push out about 3 mill a year. Guidelines are still under review. 2. N'hood Investment Fund: online mid 2011; discretionary fund for projects and programs (ex. Eat St) Will be less \$ 3. Community Innovation Fund. Smallest fund, \$2-300,000, where n'hoods can apply for grants that meet city priorities. When we went out and met w. n'hood groups, asked: if you were running the program, what would you need? [The \$] is intended for admin. Found a lot of diversity of programs: Longfellow has a number of staff, Sheridan is all volunteer. Decided NCR needs to be flexible, respect n'hood autonomy to allow flexibility, while meeting admin needs. Guidelines are intended to allow that. Each n'hood submits plan on use. Admin is one piece, and also has emphasis on inclusiveness, reaching out to people, goes beyond admin to community building activities, for n'hoods to decide what they want to do. Flexibility still stays on n'hood side. Once all parts are set up, n'hoods can transfer funds from structures to others. Current structures don't allow shift. So if you have admin strong, you can transfer to projects and programs. How much in investment fund? Will vary depending on revenue, apx. 1 mill/yr.

NRP was 20 year program, w. allocations over a number of years. This allocation will be per year, out in 3 year cycles. To compare, take NRP allocation and divide by years you're spending it. In NCR, n'hoods can bank carry over from year to year. NRP Phase II capitalized at 41.6 mill (in Phase II). NCR: 50-55 mill over 10 yr.

David B's concern: w. this amount of \$, we're funding admin of city dept, and have nothing but a few \$ left for the n'hood to hold block parties. Why don't we scrap it, build some schools and hospitals? If funding is all going to city jobs, aren't there more constructive things we can do? CM RL: Hope in city is to build on capacity of incredibly successful n'hood revitalization program. We have every n'hood in Mpls organized. The scale is incredible. By a lot of qualifiers for neediest n'hood, Whittier doesn't qualify anymore. Our philosophy going forward: build on what works: what has worked is self-directed, autonomous n'hood orgs. N'hood orgs are so sophisticated, adept at speaking for n'hoods. That's why emphasis on admin, to retain that capacity; not a lot of that is going into city admin.

David R: The principal is to make it expense neutral: will not spend more on admin on new department. Proportion or total? Total. We're absorbing NRP I and II programs. Program going forward won't cost more in the future than it did in the past. Also includes Access and Outreach: cultural outreach, for city dept and n'hoods, for broader inclusion.

NCR provides a collection of other resources, not paid for by n'hoods, now available for easier use by n'hoods. N'hood Support piece: Citizen Participation Program and NRP, collectively 1.6/mill year. When they come together, will be 1.3 mill/year. NRP ramping down. NCR taking on contract management, annual auditing, other supports. Bagley: Keeping admin the same while cutting program in half is not impressive. CM RL: There are efficiencies to be found. Why not spend it on schools? A lot of people would say that. This is the only program in world where tax \$ is put directly at discretion of tax payers. Not everyone thinks that's a good idea. I know this is less \$, but this a dedicated funding stream that can only be spent on n'hood programs and Target debt reduction.

Maurice: Rough estimate, what did it cost to manage diff depts. that are being rolled into NCR? CM: Hard to say.

Erica: This is probably more efficient by your point of view. Right now we have an NRP dedicated person to handle all our contracts, w. that person more or less at our disposal. Our experience w. the city is the reverse: we have to be at their disposal. Nobody wants to give up their status as one of higher importance. But we're often in the position of wanting to fight back against city, what they want to do to us. We have concern that we will lose that ability to fight back if our funding is at the city's discretion. We want to be able to have conflicts w. the city: that is the definition of autonomy, to sometimes agree and sometimes disagree. Guidelines are guidelines for the program: what about guiding idea for autonomy of n'hoods? The degree to which we've been in conflict, I wouldn't be surprised to hear someone threaten us, even if they can't do it.

David R: Easiest answer: we intend to have the same staff level, relationships, autonomy, response time. Charge is intended to make city depts work better w. n'hoods. NCR can spearhead talking to depts. about working better at n'hood level. We fully expect you to still conflict. We are step removed from city hall, our job to make sure communication is going on, structure in place, facilitating connections. Our principals of community engagement is intended to lay that out. Designing this program is intended to reflect that. NCEC compassionate about working w. other city dept, and trying to change the culture.

CM RL: Can make the relationship btw n'hoods and city hall better. Erica's right to bring this up. N'hoods are autonomous orgs. We expect conflicts. We need to talk about this openly, make room for the conflicts and ways to resolve them. WA to city, it is a fundee-funder relationship, and there are risks. WA might seek other funding. But primary relationship [w. city] is not that of funder-fundee. We are parts of governing body. N'hood orgs are the part that get into grassroots, reflect and speak for people. Hopefully this new dept will be more responsive to n'hoods.

MB: Will they city be more welcoming of our input? In city bylines, says "n'hood position is only advisory." We've been dissed many times, had our position ignored. David R: You are familiar w. Framework for the Future, outlines relationship. Commission, when we were setting up guidelines, focused on n'hood piece 1st, driven by wanting to get program and \$ out door in 2011. Now commission going back to address Dept. That's why guidelines reflect only n'hood element. There are 80 depts in the city, all have diff cultures. Some people in some depts, do community interaction better than others. This is a cultural change, and there is a lot of work to be done. The NCEC this is the next piece to work on. CM RL: Speaking for City Council, want this to improve n'hood - city relationships. Was a goal of founding docs. of NRP, and that piece didn't happen. LJ: How much \$ are we going to get, and when are we going to know? David R: We haven't released yet, didn't want n'hoods fighting over amount. Commission thought about it a lot, when they will release the amount. Wanted people to weigh in on formula, not set up n'hoods to fight on amount. Deliberate choice, we have gotten push back. Nov. 4th intended release date. LJ: If we ask before, don't you have to tell us? Is it public info? Legally? David R: Yes, if you filed a Freedom of Information Request; feel compelled to bring request to commission. LJ: This is what makes it hard to develop relationship of trust.

David R: Yes, but the intent is to focus on principals, to make integrity of process. This was commission decision.

Rob Nogler: Why calculate # if you're worried about formula? David R.: Formula produces a clean chart, straight forward. David Bagley: What it sounds like they're saying: We've developed world class n'hood org structure, we've fallen on tough times, so we're going to fund it only enough to keep the lights on. Trying to preserve the infrastructure, but we hear it is unlikely we'll ever get the \$ we're used to. Have to fill that gap w. \$ from else where.

CM RL: Any org that relies on one funding source is vulnerable org. Best nonprofits diversify funding, focus mission.

David Bagley: Let's not kid ourselves. If we want to do anything on the magnitude that we've done, we are on our own, and we need to face up to that now. Or this infrastructure that everyone admires will fall. CM RL: Was engaged in n'hood for 10 years before NRP. Cities across the countries are engaged w. far less than what we will have. It is not only the \$ that brings people out to n'hoods. It is a bonus, it is a great organizational tool, but it is not only way. We spend \$ in n'hoods in many ways. Long-term vision is that grassroots planning will connect to how city creates capital budget, N'hood Stabilization Program, etc., so we'll have way into advocating on other city decisions.

Tom: will you guarantee that you won't spend 50 mill on something besides n'hoods? CM promises he would never support that. Erica thanked CM Lilligren and David Rubedor for coming and answering questions.

Board Training: Last year the WA partnered w. Stevens Square on board training, they aren't doing it this yr. Could partner w. Lyndale. Since there aren't many new bd members, could refresher at bd meeting.

Bob Miller, ED NRP & Debbie Evans NRP Policy Board. Tom asks: How safe is our NRP \$? Can we make it safer? We heard that NRP was going to die, county pulled out, city saved it... where did Target Center come from? As a volunteer, Debbie felt she could speak more freely: She expressed that the information we were just given by CM & Rubedor was insulting –good questions were asked and a City employee shouldn't say you have to file a FROI act. NRP wouldn't have sent out a public review document w/o the financial info. He is supposed to be there for you. Bob: Target Cen. purchased by city, high price. Financed it out of gen. fund, so they are paying for principal interest from police, fire, etc., 6.5 mill/yr, til 2024. The whole purpose of going to legislature was trying to package something that's good for the city w. what's good for n'hoods. There were 15 TIF districts, mostly downtown. There are more than 3,300 parcels in the districts. In 1990, legislature allowed city to refinance and extend, gave authority to spend on n'hood revitalization. Huge windfall: \$200 mill to city, from refinancing, extending to 2009. In 2009 TIF districts were to end. TIF were responsible for ½ of NRP. Other ½ through city, from redevelopment fund, b/c they'd refinanced bonds w/o asking. In effect it was penalty. City went into program gladly, but there was no \$ attached, legislature attached \$. Cutting amount of \$ coming out by 80mill dollars, that's why Phase II was lower. 2008, NRP asked how can we make it good for both n'hoods and city? Refinance TIF, b/c they were not part of property tax rolls of city. City had opportunity to put parcels in a bundle that would have generated 20 mill dollars a year, split between two uses: 10 mill for target center, 10 mill for n'hoods per year. NRP spends 7.8 mill a year. NRP took bill before 4 committees, went through, specifically said N'hood Rev. Program and Target Center. After hearings, things looked good. There was difference between senate and house bill, went into conference committee, which is not an open committee, no minutes. When it went in it said NR Program, came out saying NR Purposes. Daphney, Dibble were council members at committee, given guidance from city. City never came to testify, help bill through. They set this up to fail at committee. When it changed in committee, it failed; b/c "purposes" has no legal def. Decision to go for 50%? Bob's heard lots of reason, doesn't understand. When did county kill it? Didn't. City only took 50% of parcels. County didn't have anything to say about what city would request. Can't find documents of this anywhere. They decided to put 50% into general fund. Political part is that they reduced property taxes, but the you wouldn't recognize the difference, it is about \$100/person. Could n'hoods sue? No, discretion of gov't to recommend how TIF are set up, and whether they are approved. Now, have to look at how to make best of situation. Not trying to be fatalistic, but we have to look at future. We're trying to preserve an infrastructure w.out a purpose. We built this to give people power. If you want to see how much impact people will have, Bob suggests, look at guidelines, as a group, and write a response, and do a good job, and see how much response it gets. NRP did formulas Phase I and II, each time attached anticipated \$ to n'hoods. We knew there would be conflict, and did it. We got comments and made changes. You can have best statistical formula be wrong. Bagley: If the \$ isn't material, it is about control and power? Bob: People come forward, get involved, for many reasons. 10% come forward no matter what. 10% won't come forward no matter what. But 80% are motivated by whether time is going to be spent productively. Bob's been doing n'hood stuff for 45 years. He didn't think \$ was critical when he started, but now thinks \$ is incentive, brings people to table, motivates. MB: we don't want all our funding to come from the city, seeing the response we get. Debbie: N'hood Investment Fund. \$ goes to n'hoods and affinity groups. 300 affinity groups in city. Bob: People asked how much. 5 mill in fund. 3 mill for n'hoods. Leaves w. 2 mill. \$700,000 to central office staff. 1mill split btw 2 funds.

Strategic Planning: Interviewed consultants, will ask them to present outline to help us proceed w. Strategic Planning. **NRP – Whittier Swims-Float Factor** Review of youth swim program in packet. Glowing report. 42/47 participants were from Whittier. Please read. **Resource Development: Wine tasting** 10/20, Il Gatto. This is our chance to get some \$ straight to WA. Would like to sell 50 tickets. The fall fundraiser will be w. **GiveMN**, 11/16. Successful last yr, no match this yr. This year they are recommending n'hoods get their own matching grants and line up donations with match challenges. **Staff Reports:** Aug, Sept in packets. **Old New Business: N'hood Clean Up Sat!** Coffee from Spyhouse, pizza at the park. **Green Fair:** Sat. 10/9, tell your neighbors. **HCMC Opening:** 10/30.

Meeting Adjourn at 8:26. Minutes Respectfully Submitted by: Jessica Rosenberg, Administrative Assistant

Approved on _____, 2010

Erica Christ, Board Chair

Laura Jean, Board Secretary