

Minneapolis Neighborhood Revitalization Policy Board

MINUTES OF THE REGULAR MEETING OF

August 27, 2007

Present and Voting: Debbie Evans, Beverly Conerton, Carol Pass, Jeffrey Strand, Mark Stenglein, Peter McLaughlin, Gail Dorfman, Cara Letofsky (Alternate, Mayor's Office), Barbara Johnson, Byron Laher, Ken Kelash, Anita S. Duckor and Jon Olson, chair, presiding

Alternates Attending: Nicholas Kakos, Mark Hinds, Carletta Sweet,

Absent: R.T. Rybak, Rep. Joe Mullery (excused), Chris Stewart, Sandra Vargas, Todd Klingel

Staff: Bob Miller, Willie Willis

Others Present: Gail Olson, Mark Masica, Raymond Dehn, Robert Wright, Shirlynn LaChapelle, Liz Moore, Ernest Gray, Kwasinate Russell, Deanna Foster, Kate Barr, Carolyn Olson, Henry Sullivan, Sherrie Pugh-Sullivan, Wilma McKinnies, Charles Hallman, Jack Kryst, Erik Hansen, and other interested citizens.

I. CALL TO ORDER

Jon Olson, chair of the NRP Policy Board, called the meeting to order at 4:40 p.m.

II. APPROVAL OF THE AGENDA

With the addition of an update on the progress of the Allina agreement, the agenda was approved by consent.

III. APPROVAL OF THE MINUTES

Upon a motion by Ken Kelash and seconded by Mark Stenglein the minutes of the July 23, 2007 meeting were approved.

IV. REPORT/ PRESENTATION

1. Track Three of the Community Engagement Process

Jack Kryst reported that this track, which is to help determine the funding and governance of NRP activities after 2009, is underway with a staff team doing background research. Background material is being assembled and options for policy maker considerations should be ready to be presented by October 4th.

V. **ACTION ITEM**

[NRP / PR#2007-15]

1. Forgiveness of Transition Fund Loan (Plymouth Plaza Shopping Center)

Bob Miller reviewed the status of this loan with the Plymouth Penn Corporation, which is a for profit subsidiary of the Northside Residents Redevelopment Council. He pointed out that payments have not been made in a timely manner, restructuring has not worked and that the loan is now in default and the request is that the loan be forgiven. Gail Dorfman asked for clarification about who the loan is with and who will make the ultimate decision. Bob Miller replied that the loan is with the City of Minneapolis and that they will make the final decision. NRP's interest is that these were Transition Funds from the beginning of the NRP program and are part of the total funding for NRP.

Ken Kelash then moved the following resolution and Byron Laher seconded the motion.

RESOLVED: The Minneapolis Neighborhood Revitalization Program (NRP) Policy Board ("Board") agrees that a sale of the Plymouth Plaza Shopping Center to the University of Minnesota is in the best interests of Penn Plymouth Corporation, Northside Residents Redevelopment Council, NRP and the City of Minneapolis;

RESOLVED FURTHER: That the Board authorizes the Director to seek full payment of the unpaid balance of the First Loan (estimated to be \$36,967.16) invested in this project in the Loan Agreement dated July 31, 1995, full payment of the \$338,000 Deferred Loan initially invested in this project through the Loan Agreement dated July 31, 1995 and the \$164,000 increase to the Deferred Loan approved in the Second Contract Amendment (for a total of \$502,000), and the full payment of the \$120,819 Third Loan approved in October 1996 in the Third Contract Amendment to the Loan Agreement with PPC from the proceeds generated by the sale of the Plymouth Plaza Shopping Center;

RESOLVED FURTHER: That the recovered funds be returned to the NRP so that they may benefit all of the neighborhoods in the City; and

RESOLVED FURTHER: That the Board authorizes the Director to act on its behalf and take any actions necessary to ensure that the conditions of this resolution are carried out.

Speaking against the motion, Mark Masica, chair of the Plymouth Penn Corporation (PPC), presented background to support their point of view on this issue. He listed specific situations that made this property difficult to manage and produce needed revenue and private investment. With the possible purchase by the University of Minnesota of this property for their North Side Partnership, finding tenants became increasingly difficult.

He stressed that they are only requesting forgiveness of the second mortgage of \$502,000. Sherri Pugh Sullivan also presented additional information on behalf of the organization. They then both responded to questions raised by Policy Board members. As the discussion progressed, the complexities of this loan and the other funds that have come to NRRC from grants and loans were also disclosed and discussed.

Peter McLaughlin recommended that this issue be laid over until the September meeting and that staff be directed to engage in a workout discussion and come back with a recommendation that addresses the concerns of the various creditors.

He then moved the following resolution with Gail Dorfman seconding the motion, the motion to layover taking precedence over the motion under discussion.

RESOLVED: That the issue of forgiveness of the Plymouth Penn Corporation loan be laid over until the September meeting and that staff be directed to come back with a workout recommendation that takes into account and involves all who have equities in this issue.

After discussion, Debbie Evans called the question, which carried and then the motion to layover was adopted.

VI. PRESENTATION & REPORTS

1. Financing NRP

The discussion on the future funding of NRP goes back to June of 2005 when a Task Force was established to make recommendations. Bob Miller, in the materials distributed in the packet, referred members to options for funding using the Legacy Funds.

Anita S. Duckor moved with Peter McLaughlin seconding the following resolution, which then was adopted.

[NRP / PR#2007-16]

RESOLVED: That the Minneapolis Neighborhood Revitalization Program Policy Board authorizes the Director to work with the City to pursue the use of City Legacy Funds for financing NRP.

Ken Kelash then moved with Anita S. Duckor seconding the following resolution, which was adopted.

RESOLVED: That the Minneapolis Neighborhood Revitalization Program Policy Board approves the distribution of correspondence outlining the potential impact of the April 2007 revenue projections of the City on individual neighborhood allocations (“Redrafted NRP Phase II Neighborhood Allocations”) to the neighborhoods;

RESOLVED FURTHER: That the Director accompany the distribution of the Redrafted Allocations with a cover letter of explanation and next steps;

RESOLVED FURTHER: That the Director is encouraged to host a “Discussion with the Director” on this topic within the next 60 days to promote neighborhood understanding.

2. Update on the Allina Agreement

Bob Miller informed the Policy Board that Whittier has withdrawn its \$25,000 commitment to the agreement and that West Phillips may be reconsidering adding funds to the agreement. A contract will be drafted shortly based on the commitment from East Phillips.

VII. ADJOURNMENT

The meeting was adjourned at 6:30 p.m.

Willie Willis, Secretary Pro Tem

ATTEST: Jon Olson, Chair