Resolution 2013-198

Resolution Approving a Memorandum of Understanding with the Loppet Foundation for Development and Fundraising Related to the Proposed Silent Sport Center Area and Welcome Center Building at Theodore Wirth Regional Park

Whereas, The Minneapolis Park & Recreation Board (MPRB) is the steward of Minneapolis Parks and authorized to contract with public and private entities in the conduct of its functions;

Whereas, The MPRB is an implementing agency of the Metropolitan Regional Park system;

Whereas, In 2011, the Board accepted $1,743,000 in Minnesota State Bonding/Met Council Bonding and allocated $1.5 million of the funding for a new welcome center (building and related park features) envisioned at Theodore Wirth Regional Park;

Whereas, In July 2012, the Board approved a concept plan and funding priorities for Theodore Wirth Regional Park that includes a new welcome center building and related park features, and proposes reinvestment in winter recreation, trail facilities and the Wirth Golf Course;

Whereas, Along with concept plan approval, the Board directed staff to prepare a fundraising agreement with the Loppet Foundation (formerly City of Lakes Nordic Ski Foundation) for the welcome center at the park;

Whereas, The Loppet Foundation has been providing winter recreation at Theodore Wirth Regional Park and other parks in Minneapolis for over a decade;

Whereas, MPRB staff and the Loppet Foundation have drafted a Memorandum of Understanding that outlines the mutual intentions, processes and milestones associated with developing a new welcome center building and related park features that will serve golf, winter recreation, off-road bicycling, trail use and general park visitors;

Whereas, To distinguish the proposed building as a distinct element from related park features, the agreement terms the land area/improvements around the building as the “silent sport center” and the building itself as the “welcome center”;

Whereas, Staff has met with Wirth golf patrons several times over the course of drafting the agreement to understand their interests and ensure their interests are reflected in the agreement; and

Whereas, This resolution is supported by the MPRB 2007-2020 Comprehensive Plan, which envisions “Dynamic parks that shape city character and meet diverse community needs”;

RESOLVED, That the Board of Commissioners approve the Memorandum of Understanding with the Loppet Foundation for development and fundraising related to the proposed silent sport center area and welcome center building at Theodore Wirth Regional Park; and

RESOLVED, That the President of the Board and Secretary to the Board are authorized to take all necessary administrative actions to implement this resolution.

TO: Administration & Finance Committee

FROM: Bruce Chamberlain, Assistant Superintendent for Planning

DATE: May 22, 2013

SUBJECT: Resolution Approving a Memorandum of Understanding with the Loppet Foundation for Development and Fundraising Related to the Proposed Silent Sport Center Area and Welcome Center Building at Theodore Wirth Regional Park

BACKGROUND

This Board action considers approval of a Memorandum of Understanding (MOU) with the Loppet Foundation (formerly City of Lakes Nordic Ski Foundation) for development and fundraising toward a new welcome center building and silent sport center area at Theodore Wirth Regional Park. The proposed welcome center building would be located generally where the current par-3 golf parking lot is located. The surrounding land area containing the park features and programs supportive of the building is approximately 22 acres and termed the silent sport center. Readers of this background memo are encouraged to also read the attached MOU to fully understand what the agreement entails.

The MPRB and Loppet Foundation have collaborated on winter recreation for over a decade. The Loppet Foundation provides opportunities and creates passion for year-round outdoor activities and adventures in the Minneapolis area, especially among inner-city youth. The Loppet Foundation's mission includes a significant scholarship program for under-served youth in both winter and summer outdoor programs.

In July 2012 the Minneapolis Park and Recreation Board (MPRB) approved the Theodore Wirth Regional Park concept plan that, among other things, proposes a welcome center as a new programmatic hub for the par-3 golf course and silent sport programs including winter recreation, bicycling and hiking. The plan also proposes investments in the Wirth Golf Course (18-hole), new parking, winter recreation, trail facilities and park features surrounding the proposed welcome center building.

As a component of concept plan implementation, the Board approved funding priorities and directed $1.5 million of 2011 Metropolitan Council Regional Park bonding toward the welcome center (now termed the silent sport center) at the park. With the approval, the Board directed staff to prepare a fundraising agreement with the Loppet Foundation to raise $3 million for the welcome center building. The MOU proposes directing the Loppet Foundation funds toward

building construction and the regional bonding funds toward silent sport center improvements and design fees/construction documents.

The MOU describes and assigns the spectrum of responsibilities for funding, design, and development of the welcome center and silent sport center. It also describes concurrent redesign and reconstruction of holes 17 and 18 of the Wirth Golf Course. Some of the key provisions of the agreement are:

- The Loppet Foundation will raise $3 million and upon entering into a lease for the welcome center and operating agreement for the silent sport center, donate the funds to the MPRB to construct the welcome center building.

- The MPRB will use $1.5 million in 2011 State bond funds for certain elements of the project including design fees, demolishing the current par-3 building and parking lot, and constructing new parking, vehicle/pedestrian circulation, event lawn, and tubing hill.

- The MPRB will work with golf patrons to redesign a portion of the 18-hole golf course and create a funding strategy to allow for relocation of golf holes 17 and 18.

- The MPRB will manage the design and construction processes including the involvement of constituent groups and the community.

- The MPRB will oversee construction and be the contract agent for professional services and construction contracts associated with the project.

- The silent sport center and building are planned as a year-round public destination serving users of par-3 golf, cross country skiing, hiking, tubing, snowboarding, biking and general park visitation.

- The Park Board and the Foundation intend to enter into a lease agreement for the welcome center building and an operations agreement for the silent sports center.

- Silent sport center facilities, the building and property on which both are located shall at all times remain the sole property of the Park Board.

- The silent sport center and building will be accessible to the public at all times during park hours except, as typical with other park buildings, some portions of the building for certain uses and/or during reserved events.

MPRB Finance staff has conducted a preliminary evaluation of the Foundation's business plan to operate the welcome center and silent sport programs. Staff believes business plan expenses appear reasonable given plan assumptions and MPRB's recent experience operating Wirth Park. The Foundation's revenue projections are higher than what the MPRB has attained at Wirth Park in the past. However, staff believes that marketing strategies planned by the Foundation, greater consistency of early-season snowmaking and dramatically-enhanced facilities in the new welcome center will provide opportunities for revenues that are not possible with current conditions. Achieving projected revenues will require continued focus on marketing and constituent-building by the Foundation. The business plan will likely be adjusted as the lease and operating agreement are negotiated. The business plan will be analyzed in depth by MPRB Finance staff as part of future Board action for agreement approvals.

It is important to note that costs associated with relocation of golf holes are not included in financial projections. Alternative finance strategies for capital golf improvements will be developed as part of the 18-hole golf course redesign process as outlined in the MOU.

To assist staff in developing a MOU that achieves Board and community directives, a set of guiding principles has been established. The guiding principles have acted as a touch point for staff in creating the agreement and will hopefully assist the Board in evaluating the agreement. The guiding principles established for this agreement (and potentially other future agreements) are:

- Recreational programs provided to the public are more robust and reach more/more diverse people with the agreement than without
- The interests of the spectrum of park constituents are upheld with the agreement
- The agreement allows the MPRB to achieve capital investment goals that are otherwise not readily achievable
- The agreement maintains or reduces MPRB operating expenses
- The agreement upholds MPRB policies
- The agreement upholds public access to public parks
- The agreement meets the test for use of tax-exempt bonds
- The partnership is sustainable

The MOU has been reviewed and approved by legal counsel.

PREVIOUS BOARD ACTIONS

September 7, 2011	Resolution 2011-164: Resolution approving a five year lease agreement with the City of Lakes Nordic Ski Foundation and amending professional services agreement with the City of Lakes

	Nordic Ski Foundation removing bullet 3 in section 3 – Compensation
September 7, 2011	Resolution 2011-170: Accepting $1,743,000 in Minnesota State Bonding/Met Council Bonding for Theodore Wirth Regional Park
July 11, 2012	Resolution 2012-221: Approval of the Wirth Park concept plan and funding priorities, including directing $1.5m toward the welcome center

RECOMMENDATION

Staff recommends approval of a Memorandum of Understanding with the Loppet Foundation for development and fundraising related to the proposed silent sport center area and welcome center building at Theodore Wirth Regional Park.

This action is supported by the following vision and goal statements in the MPRB 2007-2020 Comprehensive Plan:

Vision Theme 3:	Dynamic parks that shape city character and meet diverse community needs
Goal:	Create opportunities for entrepreneurs, both non-profit and for-profit, to enrich the park experience and implement innovative approaches to revenue generation.

HISTORY:

05/01/13	**Administration & Finance Committee**	**ADOPTED**

ATTACHMENTS:

- Loppet MOU final draft 4-23-13 (PDF)
- Preliminary Loppet Business Plan as Provided by the Loppet Foundation, March 2013 (PDF)

Prepared By: Bruce Chamberlain, Assistant Superintendent for Planning, Planning Services
Review:
Bruce Chamberlain Completed 04/23/2013 5:15 PM
Jayne Miller Completed 04/24/2013 8:05 AM
Minneapolis Park and Recreation Board Pending
Administration & Finance Committee Completed 05/17/2013 1:21 PM