



Working to protect the Mississippi River  
and its watershed in the Twin Cities area.

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Dear Senator Senjem and members of the committee:

We are writing today to share our opposition to the city of Minneapolis' request for \$20 million in state bonds for First Avenue's concert venue at Upper Harbor Terminal in Minneapolis.

Friends of the Mississippi River (FMR) is a non-profit organization that works to protect, restore and enhance the Mississippi River and its watershed in the Twin Cities. We have more than 2,700 active members, 3,500 volunteers and 2,500 advocates who care deeply about the future of our riverfront communities.

For over 20 years, FMR has been active in planning for the future of the Above the Falls area of North and Northeast Minneapolis. We have anticipated the redevelopment of Upper Harbor Terminal for many years.

The city's development plan falls short of community expectations and has been met with significant controversy. We do not believe that the city's request for public funds for a privately-owned business is worthy of public investment.

### **Highly controversial project**

Since the city released its development concept plan in August 2018, it has been a lightning rod for controversy.

*Community members have expressed persistent concerns* about whether the development project will actually provide economic benefits to a wide swath of residents, whether new development could accelerate our community's affordable housing crisis, and where the profits from the project will flow.

Community members have staged rallies, town hall meetings, and protests against the city's plan for Upper Harbor Terminal. The community's concerns still persist and have not been resolved by city leaders.

The city has yet to release or approve its coordinated development plan. It will face stiff community opposition to any votes related to plan approval or associated land sales.

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### **Jobs and wages not specified**

First Avenue's CEO Dayna Frank said that the project will create 269 operations jobs. What she hasn't shared is what *kind* of jobs those will be. How many of the jobs will be full-time and permanent versus event-based roles? What will wages, average number of hours, and benefits be? Since the amphitheater would be partially outdoors, there will be a seasonal, event-based element to its operations.

Frank has shared that First Avenue currently employs nearly 400 people, 40 of whom are full-time, salaried employees. That means that *90% of First Avenue's current employees aren't full-time and salaried.*

The entertainment sector offers important jobs. But in our conversations with North Minneapolis community members over the years, we've consistently heard a desire for jobs that pay living wages with benefits and offer stable schedules. First Avenue's current employment figures suggest that those desires might be inherently tough to deliver in an entertainment venue.

Is a \$20 million dollar public investment really worth the small number of full-time, steady jobs that might result from this project?

### **Public benefit unclear**

The full ownership model for this project has yet to be determined. What is known is that First Avenue will build, own, and operate the concert venue. The land ownership structure still undetermined. *We don't fully know where the project's profits will flow.*

There's no clarity around what the public benefits of this project will be. Would state funding in this project really help build wealth for North Minneapolis residents?

The public also hasn't seen any market studies or other data about the project's financial viability. Sometimes public investment *should* go to "risky" ventures whose balance sheets make it hard to access traditional funding, if those ventures meet critical community needs. We don't believe this project is a risk worth taking.

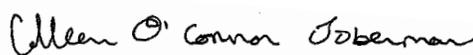
There are many worthy bonding requests under consideration this session, including several that support the arts and/or parks and public amenities along the Mississippi River. First Avenue's request for taxpayer funds for a privately-owned business should not be considered among those worthy requests. This project is too controversial and not sufficiently in the public interest.

Thank you for your consideration.

In partnership,



Whitney L. Clark  
Executive Director



Colleen O'Connor Toberman  
River Corridor Program Director