

University Neighborhoods Partnership

Merger Exploratory Phase Summary Report
October 2023

Submitted by: Willow Consulting

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Overview & Purpose

Marcy-Holmes Neighborhood Association, Prospect Park Association, Southeast Como Improvement Association, and Nicollet Island-East Bank Neighborhood Association formed the University Neighborhoods Partnership to explore ways in which they might work together to better represent their neighborhoods and businesses. The partnership began in the summer of 2023 with an important goal to identify what this might look like; ranging from increased collaboration between the existing organizations to merging into a larger organization that represents the diverse population of our neighborhoods more effectively.

For 3 months, appointed representatives from each of the four neighborhood organizations gathered information, shared their ideas, discussed options, and participated in a series of facilitated meetings. In total, more than 320 hours have been dedicated to this effort so far. This report is a summary of information gathered in the exploratory phase.

As you read the report and begin to imagine what a merger might look like, we hope that the information in this report will provide a foundation in which to build upon and ultimately help each organization decide if they should continue to the next phase and work towards a merger. Undoubtedly, you will not find all of the answers to your questions at this stage. As you will see in the next section, we are still very early in the process and there are several things that will be defined later in the process or after a merger occurs. For now, try focusing on the big picture and evaluate what is best for your neighborhood given the changes to funding in neighborhood organizations in the City of Minneapolis. This is a big decision and one that should be carefully considered.

UNP Merger Process

1. **Exploration Phase** (July-Oct 2023): The neighborhood organizations comprising the University Neighborhoods Partnership ("UNP") will focus on gathering information and building trust. The work will consist of budget analysis, and analysis of future projected revenue and expense, Board structure, and governance and will culminate in a UNP report and recommendation for the Board of each organization to consider.
2. **Consideration and Engagement** (Nov 2023-Feb 2024): Each neighborhood organization Board will consider the report and recommendations from the UNP and engage community members in the discussion.
3. **Decision Point** (Feb 2024): Each neighborhood organization Board will decide whether or not they would like to continue to the next phase and work towards a merger. This decision is not a binding commitment to merge but evidences the intent of the neighborhood organizations to merge and move ahead with preparation of a Merger Agreement. If fewer than all neighborhoods vote to proceed, those neighborhoods desiring to merge may move ahead by themselves.
4. **Create a transition team.** (March 2024) If the intent is to merge, then a transition team will be formed to manage the negotiation and preparation of the Merger Agreement.
5. **Hire legal counsel.** (March 2024) The transition team will retain legal counsel to advise it in this process. A Plan of Merger will be drafted.
6. **Boards/Memberships vote on a Plan of Merger.** (Spring 2024) Each Board of Directors will vote on the Plan of Merger. If it passes, then a summary of the proposed plan will be shared with the membership of each organization. Members will vote to approve the proposed plan.

7. **Preparations.** (Spring-Fall 2024) As part of the process, new bylaws will be created, a name for the new organization will be selected, Articles of Incorporation will be filed, committee charters and policies will be drafted, board members will be selected, budgets will be created, accounting will be consolidated, and staffing decisions will be made.
8. **Vote to file Articles of Merger and notify the Attorney General.** (Fall/Winter 2024) Boards will take a final vote to file the Articles of Merger. If approved, Articles of Merger will be filed with the Secretary of State and the merger will be final.

Note: The timeline beyond the February 2024 Decision Point may need to be adjusted based on how long preparations take.

University Neighborhood

The University Neighborhoods Partnership voted to include the University Neighborhood in their continuing discussions and future funding scenarios. However, people in this neighborhood have not been a part of the process and may or may not want to be part of a future organization. The University Neighborhood is not currently served by a recognized neighborhood organization.

The University Neighborhood is an important stakeholder who would be impacted by a potential merger. If a merger of the four organizations is pursued, the University Neighborhoods Partnership recommends that the new organization work with the City of Minneapolis to access Neighborhood Network and Equitable Engagement Funds for outreach to the student population that is currently not represented by a neighborhood organization. The intent is to gauge their interest in participating in a new, growing organization. If people in the University Neighborhood wish to be represented by the new neighborhood organization, then the new neighborhood organization would become the city recognized organization. If they are disinterested, then the new neighborhood organization would not become the city recognized organization.

As students are a large and historically excluded demographic from neighborhood associations at large, this effort to include their voices in the merged organization reflects our desire to equitably engage as widely as possible and in good faith with those impacted by the action of the University Neighborhoods Partnership. The organization will follow guidelines established by the City of Minneapolis to:

- Meaningfully engage University neighborhood residents about major activities.
- Meaningfully engage University neighborhood residents and historically under-engaged groups, such as University students, renters, communities of color, low-income residents, immigrants, refugees, and people with disabilities, thus expanding participation in the organization.
- Include University neighborhood residents & diverse communities in the organization's decision-making processes.
- Maintain an up-to-date website and/or social media presence.

University Neighborhoods Partnership Appointed Representatives

Three representatives were appointed to the University Neighborhoods Partnership from each of the four neighborhood organizations.

Southeast Como Improvement Association	DeWayne Townsend Kelly Rogers Katie Fournier	dewayne@secomo.org Kelly@secomo.org kandrfourrier@msn.com
Nicollet Island/East Bank Neighborhood Association	Barry Clegg Carole Merrill Lisa Hondros	barry.clegg@lathrogpm.com carolemerrill@me.com lhondros@gmail.com
Prospect Park	Lynn Von Korff David Frank Britt Howell	vonkoo02@umn.edu frank@umn.edu urbanfarmdirect@gmail.com
Marcy-Holmes Neighborhood Association	Kim Hansen Ted Tucker Jen Berndt	kimmercoach@gmail.com jtatucker@me.com jbhsp.13@gmail.com

Information Gathering

Interviews with Neighborhood Representatives

Representatives from each of the four participating neighborhoods were interviewed early in the process. They discussed why their neighborhood organization wanted to participate in the discussions, what they hoped to achieve, what made them nervous, what was driving the need for these discussions, how they might contribute, and more. Click [here](#) to read the full summary of the interviews.

Demographic Information

	Marcy Holmes	Prospect Park	SE Como	NIEB	University	Total
Population	15,141	11,354	6,455	2,439	7,090	42,479
Housing Units	6,581	3,945	2,189	1,417	619	14,751
Renter Occupied	82.8%	65.9%	77.0%	39.9%	92.2%	
Race-White	70.5%	57.7%	77.2%	84.3%	75.1%	
Race-Of Color	26.6%	41.5%	Suppressed	Suppressed	21.9%	
Language-English Only	84.5%	69.0%	83.5%	90.8%	81.7%	
People with a Disability	8.0%	8.3%	3.9%	8.6%	4.2%	
Foreign-Born Residents	13.9%	25.7%	13.0%	7.9%	12.6%	
With income below poverty	43.1%	38.7%	36.5%	3.6%	72.1%	

Suppressed data means that a count or percentage cannot be calculated due to low or unavailable estimates or to protect privacy of data for small geographic areas.

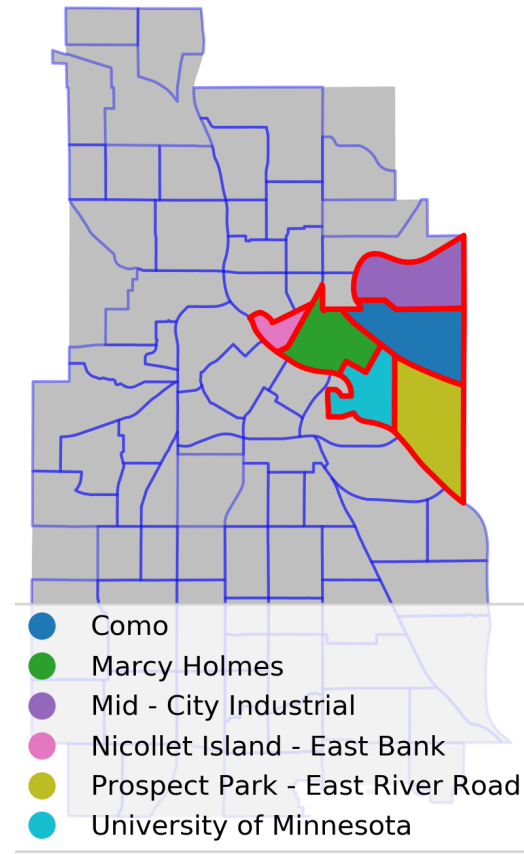
*Source Minnesota Compass <https://www.mncompass.org/profiles/city/minneapolis>

Examples of Other Merged Neighborhood Organizations or Larger Neighborhood in Minneapolis.

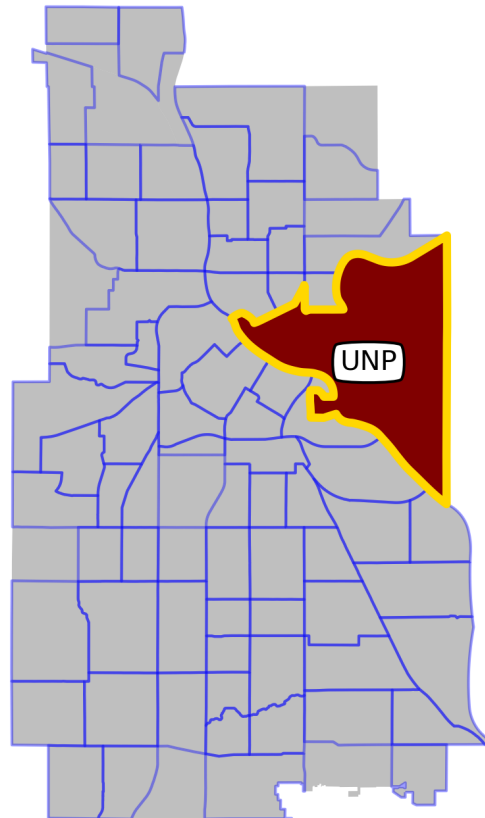
	# of Neigh.	Population	Housing Units
University Neighborhoods Partnership	5	42,479	14,751
Proposed 4-Corners Collaborative	4	6,374	3,038
Longfellow Community Council	4	21,780	10,510
Nokomis East Neighborhood Assoc.	4	14,952	6,722
Standish Ericsson Neigh. Assoc.	2	10,000	4,505
Powderhorn Park Neigh. Assoc.	1	8,440	3,623
Whittier Alliance	1	14,483	7,296

Maps

Current Neighborhood Boundaries



Possible Area of New Organization



*Note: The Mid-City Industrial neighborhood is mainly commercial property with very few residents living there. The neighborhood does not receive funding from the City of Minneapolis and does not have a neighborhood organization. The Southeast Como Improvement Association allows residents of the area to be members of SECIA so they are included in the possible service area for the new organization.

Available and Future Funds

In total, the 5 neighborhoods have just over \$1,000,000 in current funds. This includes uncontracted NRP dollars, active city contracts, and unrestricted net assets. In addition, the 5 neighborhoods will receive \$127,060 in total allocations for the Neighborhood Network Fund and Equitable Engagement Funds in 2024 and beyond.

	Marcy Holmes	NIEBNA	Prospect Park	SECIA	University **	Total
Total Current Funds	\$361,977	\$142,457	\$154,954	\$353,396	\$50,951	\$1,063,735
Future City Allocations per year *						
Neighborhood Network Fund	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$50,000
Equitable Engagement Fund	\$39,934	\$3,520	\$3,581	\$14,074	\$15,951	\$77,060
	\$49,934	\$13,520	\$13,581	\$24,074	\$25,951	\$127,060
*These numbers are subject to change if the City of Minneapolis changes their funding allocations to neighborhood organizations						
**The UNP decided to include available funds from the University Neighborhood in calculations. In order to access funds, students who live on the University of Minnesota campus would need to be engaged.						

For more information on current and future funds, click [here](#).

Initial Discussion with Birken Law

Neighborhood Representatives met with Jess Birken of Birken Law on October 17 to discuss the legal merger process. The UNP favors a merger process with revised Articles of Incorporation, Bylaws, and a new name for the organization over a Merger process. The former is simpler, less expensive, and does not require starting a new 501(c)3 organization.

If the organizations decide to move forward with the merger process at the February board vote, then a legal Plan of Merger will be drafted. Each Board of Directors will vote on the Plan of Merger. If it passes, then a summary of the proposed plan will be shared with the Membership of each organization. Members will vote to approve the proposed Plan of Merger.

As part of the process, new bylaws will be created, a name for the new organization will be selected, Articles of Incorporation will be revised, committee charters and policies will be drafted, board members will be selected, budgets will be created, accounting will be consolidated, and staffing decisions will be made. When ready, Articles of Merger will be filed, and the Attorney General's office will be notified. After all legal requirements are met, the organizations will be formally merged into a new, single organization.

After merging, it is important to strategically plan for the future and cultivate a new organizational culture that brings all of the groups together.

We have so much in Common

Issues in Common

The neighborhood organizations in the University Neighborhoods Partnership share many issues in common. The chart below shows areas where the neighborhood organizations could find common ground and possibly combine efforts.

	NIEBNA	MHNA	PPNA	SECIA
University of Minnesota		X	X	X
Student Engagement		X	X	X
Renters' Rights		X	X	X
Pedestrian and Bike Safety	X	X	X	
Transit	X	X		X
Environment and Green Spaces	X	X	X	X
Community Partnerships	X	X	X	X
Land Use and Housing	X	X	X	X
Neighborhood Commercial	X	X	X	X
Historic Preservation + Education	X	X	X	X
City and Local Government Advocacy	X	X		
Public Safety	X	X	X	X
Resilience	X	X	X	
Creative Placemaking	X	X		
Neighborhood Events	X		X	X

Representatives were asked to vote on the issues that they would like to see prioritized in a combined organization.

1. Land Use and Housing (8 votes)
2. Environment and Green Spaces (7 votes)
3. Pedestrian and Bike Safety (5 votes)

4. Renters' Rights (4 votes)
5. University of Minnesota (4 votes)
6. Community Partnerships (4 votes)
7. Public Safety (4 votes)
8. Transit (3 votes)
9. Student Engagement (3 votes)
10. Historic Preservation and Education (3 votes)
11. Neighborhood Events (2 votes)
12. Neighborhood Commercial (1 vote)
13. Resilience (1 vote)
14. City and Local Government Advocacy (1 vote)
15. Creative Placemaking (0 votes)

Shared Values

The University Neighborhoods Partnership values:

- Community engagement
- Improving urban environments: parks, trails, riverfront, etc.
- Neighborhood appropriate development, a blend of contemporary and historic character, a mix of owner-occupants and renters, and affordable housing.
- Renters' Rights

Programs & Initiatives

Each neighborhood was asked to share a list of their current programs and initiatives with the group to better understand what is currently happening in each organization. While the details of the programs and initiatives may differ, many common themes exist.

Here is a link to the [Programs, Projects & initiatives](#) document.

Outreach and Communication Strategies

Neighborhood organizations in the University Neighborhoods Partnership prioritize similar outreach strategies and communication tools. Slight differences in methods may occur, but overall, this is an area with great agreement and overlap.

4 of 4 neighborhood organizations send **newsletters and/or email blasts** to their subscriber lists.

4 of 4 neighborhood organizations have a **website**.

4 of 4 neighborhood organizations use **social media** to reach people.

3 of 4 neighborhood organizations listed **community building events** as an effective outreach strategy.

2 of 4 neighborhood organizations prioritize **flyering or door-knocking** to connect with residents.

Other methods listed include mailings, apartment/condo building representatives, and partnering with other organizations. It was noted that professional staff can improve communications and provide clear, consistent information to neighborhood residents.

What Might a Merged Organization Look Like?

Budget

After identifying current funds and future projections, we estimate that a merged organization could expect a \$200,000-\$250,000 a year budget. If current NRP funds and unrestricted net assets are used to fund a new organization, then the estimated annual budget would be closer to \$250,000 a year. If current NRP funds and unrestricted net assets are not used to fund a new organization, then the estimated annual budget would be closer to \$200,000. Not restricting the remaining NRP funds could greatly contribute to the success of the new organization. Any currently restricted funds, like grants or donor restricted contributions, would remain restricted for their intended purpose in a new organization.

The estimated annual budget is based on the following assumptions:

- 5 neighborhoods participating
- \$15,000 a year in individual donations
- \$50,000 a year from the City of Minneapolis for the Neighborhood Network Fund
- \$77,060 a year from the City of Minneapolis for the Equitable Engagement Fund
- \$35,000 a year from the University of Minnesota Good Neighbor Fund
- \$25,000 a year from other grants and contracts

To view a comparison of 2023 neighborhood organization budgets, click [here](#).

Staffing

A \$200,000-250,000 a year budget can typically support 1.5-2.5 full-time positions. A more detailed staffing budget would be established if the organizations decide to merge.

Board Size

Should all of the 5 neighborhoods decide to merge, then the University Neighborhoods Partnership recommends a board size with a maximum of 15 members. A smaller board may be considered if fewer organizations decide to merge.

Board Representation

The University Neighborhoods Partnership recommends that board representation be roughly based on neighborhood population. If all 5 neighborhoods participate, they propose one board seat for Nicollet Island/East Bank, two for Southeast Como, two for the University neighborhood, three for Marcy-Holmes, three for Prospect Park and four elected from the membership at-large. The goal is to have a diverse board made up of a variety of stakeholders including students, renters, people of color, and businesses.

Membership & Elections

Details around membership, the election process, and number of meetings will be specified in the bylaws, which will be created with legal review should the organizations decide to merge.

Committees

A preliminary committee structure and charters will be created as part of the preparation stage and future committees will be determined by the new board of directors and created to meet organizational priorities. Some committees or task forces may be neighborhood specific while others will be issue-based with members from across the entire geography.

This is Risky

Potential Risks of NOT Merging

We know this feels risky and you're right... it is. There are also risks associated with not merging. Neighborhood representatives were asked to identify what might happen if the organization does not merge.

Marcy-Holmes:

- Could lose a high caliber executive director.
- Concerned that a wedge could be created if this doesn't go well.
- Lose the chance for more power at the city and University by not merging.
- It would become harder to reach out to students.

SE Como:

- Cease to exist.
- Volunteers could form another nonprofit and access funds or just act as they want.
- Change that could lead to less equitable engagement.
- Lose staff and interns.
- We would need to rely more on volunteers to lead the organization's activities, which would then be defined by their interests. It changes the actions of the neighborhood.

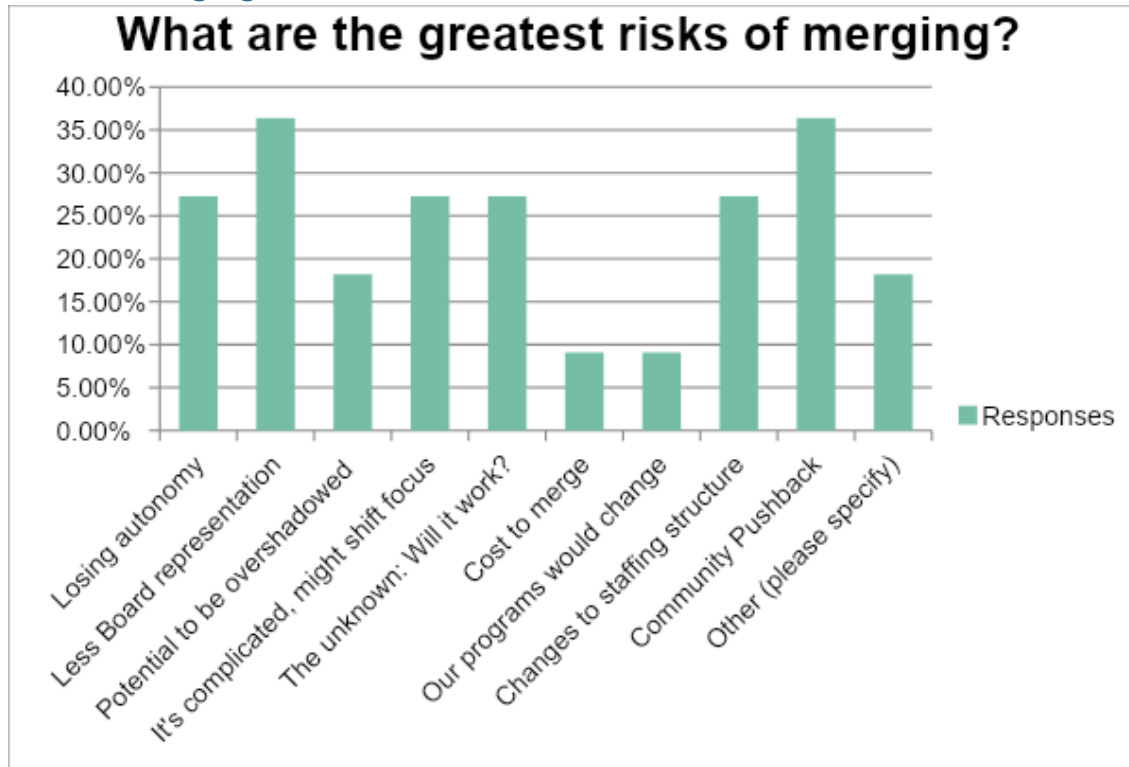
NEIBNA

- Lose staff.
- Lose communications and website.
- Go back to the old way (no money, write letters, etc.)
- It would be a missed opportunity to not explore all the opportunities for collaboration.
- Go back to being reactive instead of proactive.

Prospect Park:

- The idea of equitable engagement would fall to the wayside.
- Cease to exist, limited alternatives.
- Contract with another organization to share an executive director to keep the board informed on the basics.
- Lose key activities.
- Volunteers would decide and carry out our activities.

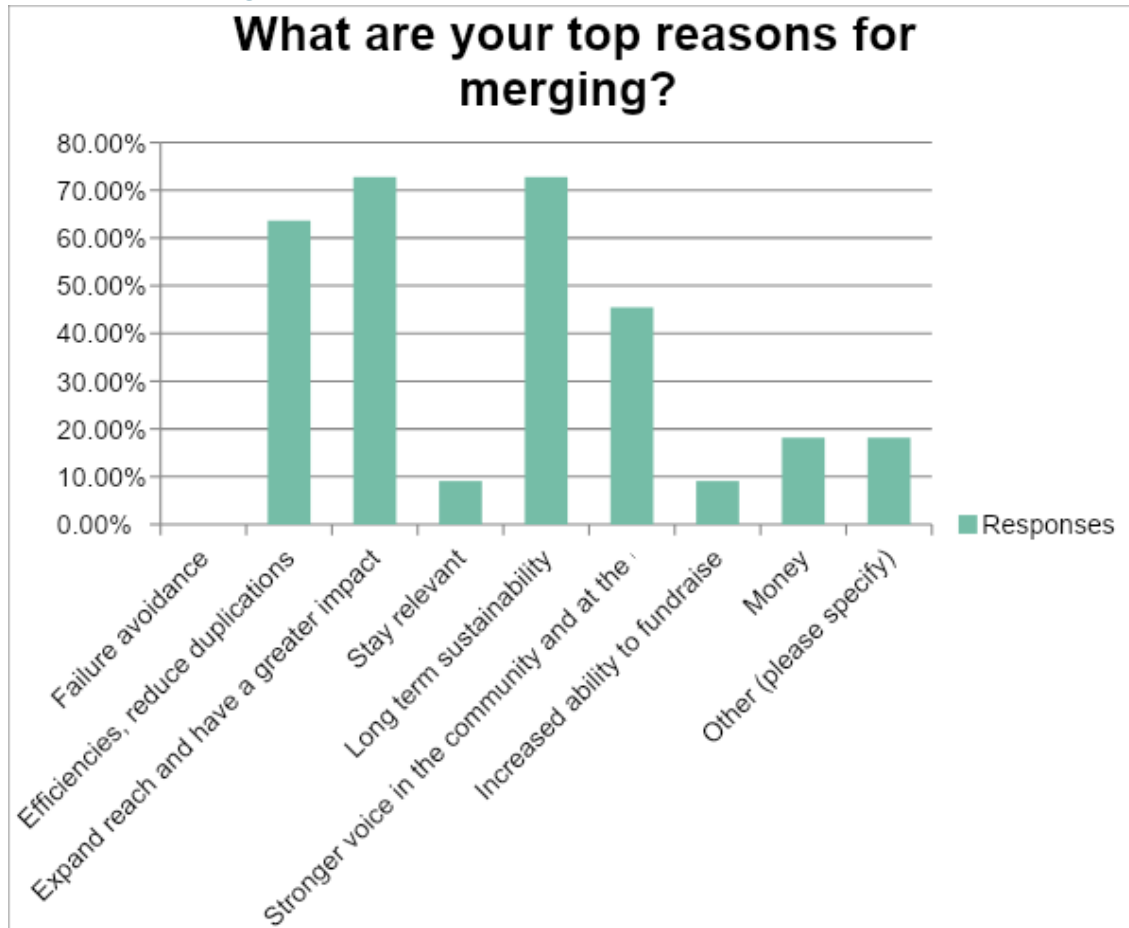
Risks of Merging



Other Responses:

- Making the decision before sufficient community engagement-listening to concerns
- We might become relevant

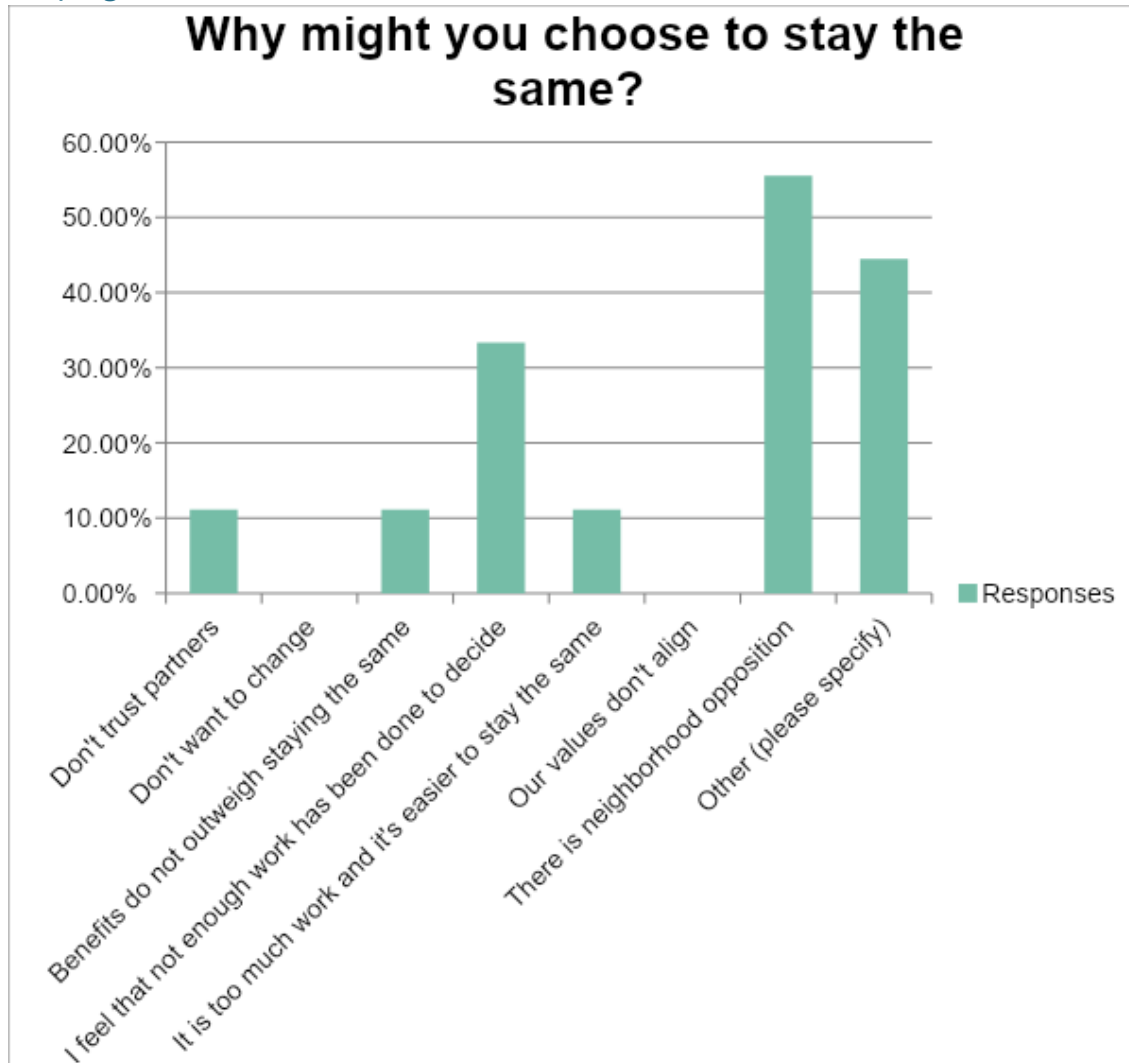
Reasons to Merge



Other responses:

- Many common issues, for instance: relations with the UofM, public transit, outreach to renters, erosion of home ownership, attract UofM staff to live/rent in Southeast, more attention to long-term renters,
- If I could choose 4, I would check Stronger voice. Feel that's covered by Expand reach.

Staying the Same



Other responses:

- Need engagement/outreach with community - listen to their voices and concerns — before a vote.
- Personally, I'm opposed to the status quo. However, I do question a merger with all 4. I can say that some NIEBNA board members could find a reason to check all of the above!
- Other groups may obstruct merger due to self-interest instead of just opting out
- No other neighborhood wants to be a partner

Efficiencies

Where would the greatest organizational efficiencies be created if the 4 organizations merged?		
Answer Choices	Responses	
Accounting- one bookkeeper, one set of books, and one tax filing instead of four	27.27%	3
City of Minneapolis - Fewer contracts, one submission for city programs	18.18%	2
Reduction in the number of meetings - one board instead of four, fewer committees, etc.	0.00%	0
Cost savings on operational expenses - examples might include rent, insurance, accounting, payroll, website, utilities, etc.	81.82%	9
Communications - combined newsletter, social media, website, etc.	45.45%	5
Administration - reduction in staff/volunteer time spent on administrative work	36.36%	4
Volunteer recruiting and management - a wider pool of volunteers can collaborate on shared values	18.18%	2
University of Minnesota - one voice with the University	45.45%	5
Programs - combined programs with dedicated staff and volunteers from across the wider geography	27.27%	3

Timeline

October 2023-February 2024	Community Engagement: Each neighborhood will determine how best to engage their neighborhood in this discussion and decision.
February 2024	Decision Point: By the end of February, each neighborhood organization Board will decide whether or not they would like to continue to the next phase and work towards a merger.
March 2024 & Beyond	To be determined based on the outcome of the February decision. A draft timeline was included in the UNP Merger Process on page 3.