

Council OKs plan to set up fund for planetarium

By **STEVE BRANDT**, Star Tribune

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The city of Minneapolis took a preliminary step Tuesday toward helping plug the operating gap for a new downtown planetarium. But will it be enough?

A City Council committee unanimously approved a proposal to set up a \$5 million planetarium endowment fund. The interest from the fund would generate an estimated \$150,000 to \$250,000 annually.

But Hennepin County wants \$250,000 a year from the city for its share of an operating deficit initially estimated to average \$750,000 annually. The county is willing to contribute another \$250,000 and will seek an equal contribution from the state.

The planetarium project is at an awkward stage because it began as a city-backed project promoted by a nonprofit society that would help raise funds to build the facility and operate it atop the new downtown public library. But the question of whether to build the planetarium shifted to county hands in January when the city ceded its libraries to the county.

The County Board voted to go ahead only with shared state and city help on the deficit. The state has authorized \$22 million in bonding for the facility with private backers anxious to begin raising the remaining \$20.5 million.

County Commissioner Mark Stenglein said the city's endowment represented "a good first step." But he added: "I presume they're going to come up with a different funding scheme for the rest of it."

There was no sign of that at City Hall on Tuesday. The council's chief planetarium advocate, Scott Benson, said he thinks the interest earnings could be more than estimated.

The endowment plan comes before the full council on Friday. The city would ship the money to the county but restrict its use to meeting operating expenses. The endowment

could be revoked if the planetarium doesn't get built or ceases operating in its first 20 years.

Through 2011, the endowment could also be tapped for up to \$50,000 annually for expenses of the nonprofit Minneapolis Planetarium Society.

The \$5 million will consume most of the city's remaining Urban Development Action Grant funds. The money was given to the city by the federal government under a long-defunct aid program. It was lent by the city for economic development projects such as construction of the Hilton hotel near the Minneapolis Convention Center. The money has been repaid and lent several times.

Using the grant funds for the library will reduce the city's discretionary development financing at a time when other factors also are squeezing how much the city can lend or grant to development projects.

The planetarium proposal was drafted and presented by Frank Parisi, the city's director of strategic partnerships. He also served as interim executive director for the Minneapolis Planetarium Society for more than a year and remains on its board.

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