

★ Roll Call Number

Agenda Item Number

40

Date November 21, 2011

LETTER OF INTEREST FROM DES MOINES SOCIAL CLUB TO LEASE OR PURCHASE FIRE STATION PROPERTY AT 900 MULBERRY STREET

Moved by _____ to receive and file and refer to the City Manager to explore the potential sale or lease of the property and direct the City Manager to work with the Des Moines Social Club on potential development of the property.

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GRIESS				
HENSLEY				
MAHAFFEY				
MEYER				
MOORE				
TOTAL				
MOTION CARRIED			APPROVED	

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

Mayor

City Clerk



November 14, 2011

FIND US
400 WALNUT STREET
DES MOINES, IA 50308

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PO BOX 93301
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VISIT US
WWW.DESMOINES
SOCIALCLUB.ORG

CALL US
515.288.3672

Dear Council Members:

The Des Moines Social Club (DMSC) is a not-for-profit 501(c)3 organization dedicated to using art as a catalyst to create unprecedented community engagement. Since March of 2009, DMSC has operated a multidisciplinary arts venue, first at 1408 Locust and currently at its interim location at 400 Walnut in the historic Kirkwood building. DMSC has been actively seeking a permanent location to house a theater, classrooms, art gallery, nonprofit office co-working space, and lounge/restaurant. We believe that an ideal building has been found.

Proposed Location

We propose to lease or purchase from the City of Des Moines the current firehouse on 9th and Mulberry, soon to be vacated as the Fire Department moves to its soon-to-be constructed headquarters. Once tenant improvements are completed, this would become a world-class arts and learning facility, offering programming, space and classes to engage, attract and retain great talent.

Des Moines Social Club Mission and Vision

The Des Moines Social Club currently enjoys a wealth of support from the local corporate community. Companies such as Wells Fargo, Principal Financial, Meredith, Nationwide, Wellmark, John Deere and Aviva have been major supporters, viewing DMSC as a missing piece of the puzzle to attract and retain top-flight talent. Pioneer and Kemin, our largest corporate supporters, put it best by saying they will be hiring over 1000 young scientists in the next ten years, recruiting many from larger metropolitan areas than Des Moines. These young professionals are used to a certain lifestyle, and DMSC helps provide some of what they have come to demand in the place where they will make their homes and careers.

This retention and recruitment is not confined to young professionals: 2010 saw DMSC employing seven full time employees who all worked and lived in Downtown Des Moines, providing the core for a new creative community and previously absent tax base. Numerous other artists receiving fees and commissions for their work from our programming and educational outreach. By far the largest component of DMSC's budget is salaries and fees for artists, employees and educators.

Programming and Operating Revenue Sources

Once completed, DMSC will run several kinds of activities in the space, providing a diversity of offerings and of earned income for the not-for-profit:

- **Monthly art shows** in the gallery. Sales of the artwork will provide commission income to DSMC.
- **Theatrical and musical performances** presented by DMSC. Ticket income will support DMSC.



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- **Classes for the general public** in a variety of disciplines. This will provide income to both the instructors and DMSC.
- **Educational outreach**, specifically to the public schools. This currently is funded by partnerships with Metro Arts Alliance and by grants from the Iowa Arts Council. We look forward to expanding to an after school program at our new location, and are in talks with various partners on this.
- **Summer arts camps**. Our first camp this summer was a success, and the United Way sponsored scholarships for a small number of children. Fees for the camp will provide DMSC income and payment to teaching artists.

Furthermore, the facilities of the DSMC will be available for artists, the general public and various groups to rent for their own work and events. Examples include:

- **Resident companies**. Current resident companies include Repertory Theatre of Iowa and Mooncoin Entertainment. These groups generate sales and also pay their artists. In many cases their work would not have been possible without the collaboration of DMSC.
- **Conferences**. Technology Association of Iowa has used DMSC for their Pitch & Grow events, and other groups used multiple areas of 1408 Locust Street for larger events and breakout sessions. The spaces within the firehouse could be utilized for a variety of events, and a partnership with the restaurant (discussed below) will create an extremely attractive venue.
- **One-time events**. We have held weddings, dances, meetings, parties and more. With larger and more diverse spaces available, we expect this portion of our business to increase.
- **Rehearsals**. The classroom areas will be available for rehearsal rentals, and current plan calls for one room to be a dedicated dance studio, so that dance, music and theater could all rehearse at the DMSC.
- **Scene shop**. The current plans call for an on-site scene shop, and conversations have been held with other organizations about multiple groups using the facility. There currently is not an adequate scene shop for the diverse theater companies of Des Moines to utilize.

Needless to say all of the above events would provide income to DMSC, for rental fees, technical equipment rental, and charges for staffing.

Proposed Restaurant

A key component of the overall scheme will be a restaurant, to be operated independently of the not-for-profit entity. Orchestrate Management has expressed particular interest in putting a restaurant in the firehouse, and we have been in discussions with them about the location. The restaurant will serve as a gathering place and caterer for events, as well as a potential cabaret performance venue. Rent paid by the restaurant would help support the DSMC, and taxes paid by the restaurant would help support the City.



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Capital Campaign and Feasibility Study

We have launched a feasibility study, and have outlined our plan for our capital campaign in the enclosed business plan. The initial conversations surrounding the feasibility study have been very positive, and we are confident that we will be able to raise money for the construction costs.

Development Team

We are currently vetting architects and developers to assemble the right team to see this project through from groundbreaking to ribbon-cutting. We are also putting together an advisory group that includes Barry Griswell, Fred Hubbell, Connie Wimer, Glenn Lyons and the Executive Committee of our Board of Directors.

Operating Fund

As a young non-profit our funds are not unlimited, and we are taking the prudent step of planning to raise some operating capital alongside our capital campaign.

Conclusion

We are excited to continue conversations with the City to reach an agreement that will allow us to meet our financial and security goals and allow the City to plant this exciting project in the heart of downtown. The diverse programming and flexible facilities of the DSMC will serve as a talent magnet, pulling the best and the brightest to its exciting new home in the firehouse.

We look forward to continuing this conversation.

Yours Truly,

Zachary Mannheimer
Executive Director

Business Plan: Des Moines Social Club

Executive Summary

The Des Moines Social Club (DMSC) is a catalyst for artistic development in Central Iowa supporting 10 salaried employees in 2011, 65 part time and contract employees, and inspiring multiple Downtown businesses from Northland Studios to Glaza Dance Space in the East Village. Founded in 2008, DMSC has grown from a \$28,000 budget in its first year to a \$450,000 organization in 2011. With a current earned revenue to donations ratio of only 25% in 2011, the DMSC Business Plan identifies a path for achieving an earned revenue ratio of 50% by 2015 and 75% by 2020, predicated on securing a permanent facility within Downtown. The organization is a 501(c)3 not-for-profit that invests all donations into cultural programming ranging from theater to live painting, young professional networking to intern engagement mixers, or writing clubs to live music. This reinvestment routinely achieves far reaching results, with 2005 data surveying national arts organizations from the *Americans for the Arts National Report* indicating that the DMSC contribution to the local economy may be conservatively estimated as greater than \$2.1 million.

This programming supports events and classes targeted to improve the standard of living for participants ranging from entertainment for toddlers (e.g. Dance Baby Dance Party) to seasoned theatre goers (e.g. Cat on a Hot Tin Roof), education for school students (e.g. Shakespeare is Elementary) to lifetime learners (e.g. Salsa Dancing), and networking for corporate professionals (e.g. Team Trivia) to young entrepreneurs (e.g. Pitch and Grow). The DMSC sees over 50,000 visitors per year, 6,000 active followers through social media outlets, and supports local businesses in Downtown Des Moines through co-hosted and co-sponsored events. With strong partnerships among leading Iowa businesses, the DMSC has established itself as an invaluable employee recruitment and retention tool for young business professionals choosing between Des Moines and higher profile cultural centers around our Nation.

The DMSC business plan focuses on changes to organizational structure, the implementation of professional assessment and development systems, and expansion of its socioeconomic demographic. These changes will see a systematic expansion of organizational offerings, a fundamental shift in the economic model associated with program development, and long-term planning supporting generation-to-generation sustainability. This approach will focus on the securing access to long term assets through an initial Capital Campaign, acquisition of a stable facility to develop and nurture innovative activities, and steady growth of self-sustaining programming.

The DMSC addresses many of the publicly identified Regional Development goals called for by organizations ranging from the Community Foundation to the Greater Des Moines Partnership in documents such as the Capital Crossroads report. This call for action has been financially supported by a wide range of individual, Foundation, and corporate donors throughout Central Iowa, including the following:

Major Foundation and Individual Supporters include:

- The Kruidenier Charitable Foundation
- Barry and Michele Griswell Foundation
- Fred and Charlotte Hubbell Foundation
- The Bedell World Citizenship Fund
- Harry and Pam Bookey
- The Brenton Foundation
- James and Roxanne Conlin
- Connie Wimer and Frank Fogarty
- Dr. Bob Marges
- Steve and Renee Schaaf
- Bob and Gloria Burnett
- The Community Foundation of Greater Des Moines

Major Corporate Supporters include:

- Principal Financial
- Pioneer Hi-Bred
- Kemin
- Wells Fargo
- Nationwide
- Wellmark
- Meredith
- Aviva
- John Deere
- Bankers Trust
- Kum & Go
- The Greater Des Moines Partnership

Major Government Supporters include:

- Polk County
- Iowa Department of Cultural Affairs
- Iowa Arts Council
- BRAVO! Greater Des Moines

These individuals and organizations have been committed to the DMSC and its operations, and many have already expressed or committed financial support for its upcoming Capital Campaign. From this strong community platform, the DMSC Business Plan identifies an actionable plan for economic sustainability within the Downtown Des Moines community.