



## Regular Meeting City Council

### AGENDA

Monday, March 5, 2018  
6:30 p.m. or immediately following  
the closed City Council meeting,  
whichever is later  
Elk River City Hall

1. CALL MEETING TO ORDER
2. PLEDGE OF ALLEGIANCE
3. CONSIDER AGENDA
4. CONSENT AGENDA

#### Meeting Protocol

- No sidebar discussions
- No interruptions
- State your concern
- Ensure you understand
- Don't take things personally
- Adhere to time limits
- Come prepared
- Ensure all are heard

Considered to be routine and noncontroversial by the City Council and will be approved by one motion. There will be no separate discussion of these items unless a Councilmember, staff member, or citizen so requests, in which case the item will be removed from the consent agenda and considered under the regular agenda.

- 4.1 Check Register
- 4.2 Resolution for Donations: Cargill
- 4.3 Resolution for Donations: HealthPartners
- 4.4 Purchase Replacement Truck Wastewater Treatment Plant

#### 5. UTILITIES COMMISSION INTERVIEWS

#### 6. OPEN FORUM

An opportunity for residents and guests to provide comments and feedback to the City Council regarding items not on the agenda. Information provided in Open Forum will not be discussed by the City Council; rather, the information will be referred to staff and/or scheduled for discussion at a future meeting.

#### 7. PRESENTATIONS, AWARDS, AND RECOGNITION

- 7.1 Oath of Office: On-Call Firefighters
- 7.2 Oath of Office: Police Officer
- 7.3 Introduction of New Employees
- 7.4 Housing and Redevelopment Rehab Loan Program

#### 8. PUBLIC HEARINGS

#### 9. GENERAL BUSINESS

- 9.1 Proceed with Park Improvement Projects
- 9.2 Agreement and Donation to Install Athletic Field Lighting and Scoreboard at Oak Knoll Athletic Field Complex
- 9.3 Elk River Summer Festival Event
- 9.4 Food Truck Licensing
- 9.5 Local Option Sales Tax Study
- 9.6 Discuss Work Session Items



**10. COUNCIL LIAISON UPDATES**

- Energy City
- Heritage Preservation
- Library
- Parks and Recreation
- Planning Commission
- Utilities
- Other Committees, Commissions, Etc.

**11. WORK SESSION**

- 11.1 Trails Master Plan
- 11.2 Line Avenue Project Update
- 11.3 Arena/Civic Center Referendum

**12. ADJOURNMENT**



# Request for Action

<b>To</b> Mayor and City Council		<b>Item Number</b> 11.3
<b>Agenda Section</b> Work Session	<b>Meeting Date</b> March 5, 2018	<b>Prepared by</b> Cal Portner, City Administrator
<b>Item Description</b> Arena/Civic Center Referendum		<b>Reviewed by</b> Justin Femrite P.E., City Engineer
		<b>Reviewed by</b> Councilmember Wagner

## Action Requested

Discuss the timing, scope, and options for an ice arena/civic center referendum.

## Background/Discussion

On February 8, 2018, the City Council held a Special Meeting and voted to pause design and development of the ice arena project to consider other options to include a citywide referendum for a multipurpose civic center to include an ice arena.

Councilmember Wagner will start a discussion regarding the 2016 Referendum and options for moving a multipurpose civic center forward, including asking Council to consider creating a Council-led Task Force comprised of commission chairs, community stakeholders (including youth associations), at-large residents, and staff.

Representatives from RJM Construction and 292 Design Group will be at the meeting to assist with any questions the Council may have.

## Financial Impact

The cost of 2016 Community Center Task Force Study facilitated by JLG Architects was \$50,000.

The cost for the feasibility study to examine extending city services into the gravel mining area is expected to range \$50,000-\$100,000 and typically takes 4-6 months to complete. These costs are typically part of the levied Trunk Area Assessments which would be levied to all properties in the service area. The feasibility study is a required document to comply with Chapter 429 of State Statute.

The Ice Arena Fund has a fund balance of \$700,000 available for capital improvements/repairs. Due to a potential leak in the Olympic Rink refrigerant piping and a growing restriction in The Barn Rink piping, repairs will need to be considered to maintain operations.

## Attachments

- N/A

## The Elk River Vision

*A welcoming community with revolutionary and spirited resourcefulness, exceptional service, and community engagement that encourages and inspires prosperity*



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Item 11.3

Handout  
Councilmember  
Wagner

Some lessons learned from 2016 failed Referendum:

- Not enough public input sessions
- Informational marketing materials went out too late
- Not enough detail explained in project “why” and “what happens if Referendum fails”
- Could have done better job of understanding economic impact and value a new facility would bring to city
- Could have done a better job embracing all youth sport associations and ensuring project scope was fully understood
- Did we deliver the message about looking to the future needs of the community?

What we know now:

- public trust and project understanding are low
- The community doesn’t feel as if their voices have been heard
- We have an opportunity to do better for all in the community
- We cannot over-communicate!

Where do we go from here: **LISTEN. CONNECT. EMPOWER.**

- Organize Council-led, community-based task force to re-evaluate community needs and determine if the current “Plan B” facility moves Elk River in the right direction. Task Force is led by public relations professional.
  - Task Force could include:
    - all city commission chairs
    - members from each youth sports organization
    - Chamber of Commerce representatives
    - Community leaders
    - General “at-large” community members
    - Business community representatives
    - High School and youth athletes
    - Senior Center representatives
    - staff

Next steps:

- Understand and determine recreation field use fees.
  - Fairness across the board
- Recreation programming priority list and budget
  - Understand long-term goals of recreation needs and wants
  - Long-term solution to capital improvements
- What is GOAL for new facility? Still to combine failing infrastructure? (Arena, Lions Park Center, Senior Activity Center) Boost economic development near new facility? YMCA build-out?
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Mayor  
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## Arena Issue Notes

Comments are not meant to offend or demean any of the work done by previous task forces and committees.

I have been getting emails saying what a poor leader I am on this issue. I can only surmise that those writing those emails think I should vote to spend \$25 million on an ice arena with no citizen input.

This issue has been on my mind, day and night, since our vote on February 8. I have called numerous cities and exchanged email with others about their ice arenas. People are asking for me to do something and I have been conducting research and giving the issue plenty of thought.

I have heard from several senior citizens and businesses about the impact a \$25 million dollar levy would have on their taxes. Their voices have to be taken into account.

In my mind we may have been approaching this issue in the wrong way. We know that we have issues with the ice arena, the senior activity center and Lions Park Center. Instead of combining these I think we need to prioritize them. The arena needs to be dealt with first because of sensitive nature of the ice rink system. The arena is an important amenity in Elk River and I think we all agree that something needs to be done to improve the current situation. We are exploring activity center options with the Y. Before that decision is made we should have a firm number on what it would take to make repairs to the current activity center without adding more space to the building. I am sure we will have further discussions about Lions Park Center.

In the failed 2016 referendum we added pieces to the arena improvement to try to recruit more broad support. We came very close to succeeding. The project just put on hold was for \$25 million. I think there are a lot of people in Elk River who only see the dollar amount when voting on a referendum. I understand that. As we add more pieces to make a referendum attractive, the price keeps going up. This probably works to our disadvantage. People get blown away by a number.

My research of arenas in other communities and how they are paid for show that we should be able to construct/remodel two sheet facility in Elk River for much less than the dollars currently being tossed around. An example of this is in Sioux Falls. They built a three sheet facility for a construction cost of \$9.3 million. I called to see how that was possible. Some things that kept the cost down: sand floors instead of concrete, metal building instead of tip up concrete panels, one floor facility. The building is owned by a 501c3 corporation in Sioux Falls and the city put very little money into the project. They did many other things to keep the cost down. The leader of their 501c3 group told me they have a very functional facility, one without all the bells and whistles that drive up the cost. He was shocked when I told him we were looking at one new rink and one remodeled for \$20-\$25 million.

The groups on both ends of the arena issue—those that want nothing done and those that want a complete overhaul of the building, probably will not like my plan. In most compromises neither side gets what it wants. I consider this a compromise.

# Ice Arena Plan

Presented here is one possible solution to Ice Arena situation

## **\$12,000,000.00 City issues bonds for the project.**

This is the amount stated on 2016 referendum material that the city would spend if the referendum failed. There were two other larger numbers listed but this was the lowest number.

I have been an advocate of a voter referendum for the \$25 million dollar project that we talked about but if we bond for \$12 million I don't think we would need the referendum. I think the council would be keeping its word by following up with the \$12 million after the referendum failed.

We would still need to put the local sales tax question on the November ballot. Proceeds from that sales tax could be used to cover any arena construction cost overages, park improvements and dredging of Lake Orono costs.

With the reduction in debt, we may only need a 1/4% sales tax rather than 1/2% but that can be determined before the November vote and after we get the sales tax analysis report from the U of M extension office. If the local sales tax vote does not pass the impact on property tax owners would be about 1/2 of the numbers we have previously talked about.

## **\$1,500,000.00 From city's Great River Energy fund and General Fund reserves**

Some of the Great River Energy funds have been committed to Wayfinding but future annual contributions to that fund should cover most of the Wayfinding costs. Our general fund reserves have always been pretty high. A one time deduction from that fund will be quickly replaced in the next few years if we continue to follow the recent pattern of not using all budgeted dollars.

## **\$1,500,000.00 Contribution from Youth Hockey and Figure Skating toward cost of building**

I am proposing that these two groups pay the city \$75,000 annually for 20 years. The amount for each group could be based on number of participants or ice hours rented. This cost would be in addition to the amounts these groups pay for ice rental.

My research of recent ice arena projects has shown the following:

St. Louis Park-Youth hockey paying \$2.2 million over 10 years on recent \$11 million arena project

Maple Grove-Youth hockey paying \$1.2 million over 13 years for West Rink project

Lakeville-Youth hockey has been paying \$95,000 per year since 2005 to pay off debt on 3 sheet arena

Edina-Youth hockey paying \$800,000 toward recent ice improvements

Luverne-Youth hockey and local business paid \$700,000 of \$1 million project

It is not uncommon for youth hockey to pay capital cost and hourly ice rental.

Other youth groups in Elk River are paying capital costs, although obviously in lesser amounts. To be fair their playing facilities don't cost anywhere near what ice arenas do.

I know we have had capital costs paid by youth football, youth lacrosse, youth baseball and youth softball.

Basically we are charging youth hockey and figure skating 10% of the cost of the improvements. Many Elk River citizens would call that fair.

The \$1.5 million would be taken from our sewer trunk fund (current balance is more than \$3 million) and reimbursed as yearly payments are made by youth hockey and figure skating.

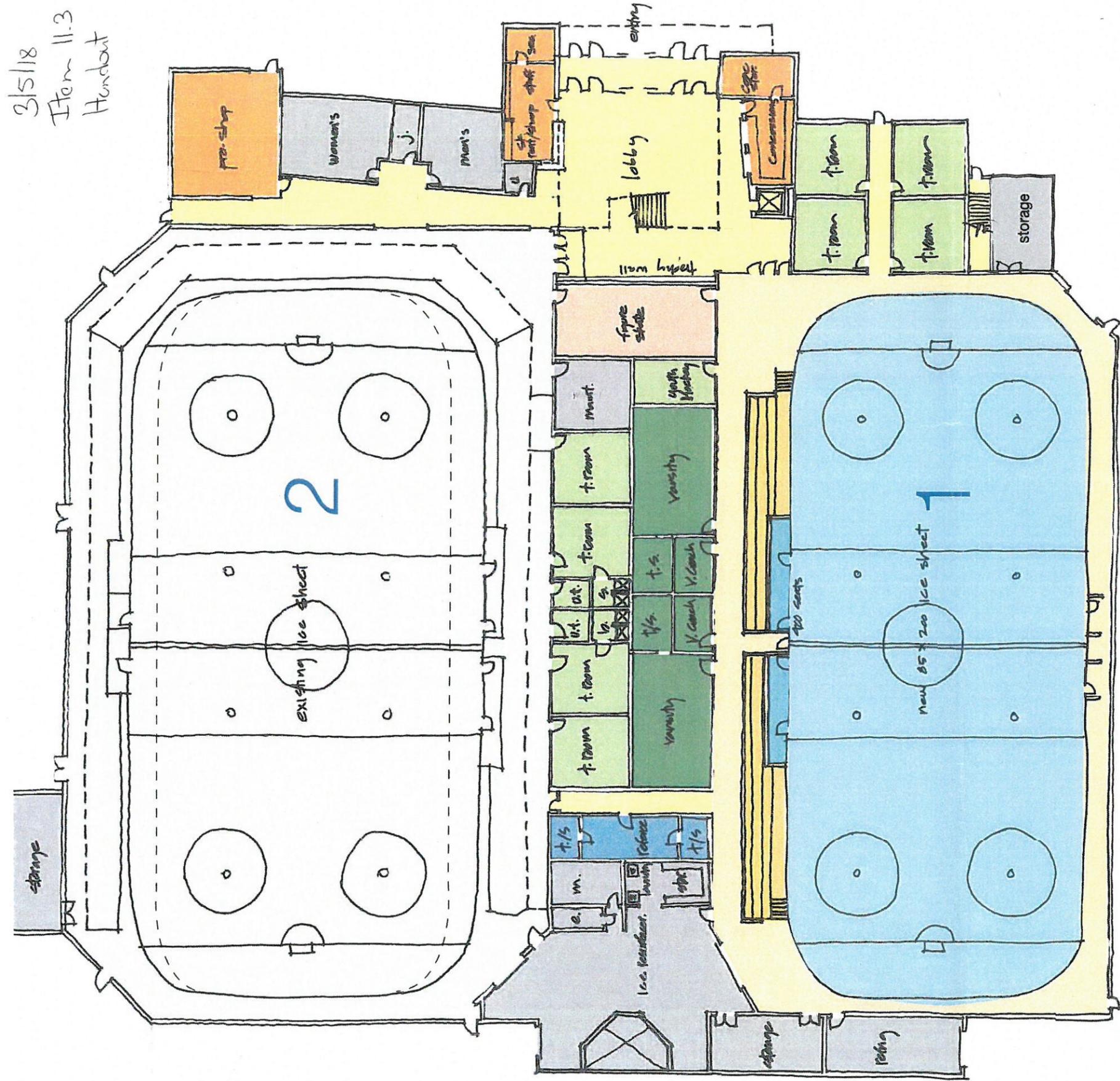
## **\$15,000,000.00 Total project cost**

## **Ways to Lower cost of Option 1**

I am definitely not an arena expert but these are a few items for discussion. Some of these were items mentioned to me in my research of ice rinks. We would rely on our engineers to come up with a \$15 million plan.

- Replace the ice plant and compressor in Olympic part of building but leave it an Olympic size rink and the main rink in the building.
- Tear down the barn and build a new sheet parallel to the Olympic sheet with seating for far less than the 1500 in the Olympic arena
- Construct the new rink so that it does not infringe on the varsity softball field, taking away the need for the city to build new fields at Lions Park
- Use metal siding for the exterior of the new part of the building rather than tip up concrete panels
- Use a sand floor rather than a concrete floor
- Eliminate additional meeting rooms from the plan
- Eliminate second floor on new sheet if this saves money
- Focus on ice sheet and locker rooms

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Hurdout



Option 4 (New Rink 1):

- New Rink 1, replace the barn
- New front lobby addition including team rooms, concessions, pro-shop, restrooms, managers office.
- New team rooms between the two rinks, including 2 varsity team rooms.
- Combined new refrigeration room for both rinks.
- New concrete rink floor for the Rink 2.
- Add sprinklers over Rink 2 ice arena floor surface.
- Repair Rink 2 dehumidification.
- New upper level lobby with concessions, restrooms, and storage.
- New upper level community meeting rooms and dryland training center.
- Upgrade IT and PA systems

Pros:

New common refrigeration system.  
 Operationally more efficient; combined ice resurfacer and refrigeration room.  
 Regulation ice sheets for both rinks.  
 Better seating for Rink 1.  
 Concrete floor added to Rink 2, multi-purpose opportunities are possible and less maintenance and more efficient operation of ice plant.  
 More energy efficient facility; durable and energy efficient envelope for new rink 1, efficient HVAC and dehumidification systems.  
 Facility will have a new identity because of addition and lobby expansion.  
 Larger lobby accommodates larger events.  
 ADA accessibility to upper level and other ADA issues are addressed  
 Upper lobby, meeting rooms, and dryland training is a benefit to more of Elk Rivers citizens.  
 Varsity Team rooms are addressed.

Cons:

Expense

Alternate: Reduce East Rink from Olympic size to NHL size

