
The Mandan City Commission met in a Special Meeting at 6:30 p.m. on December 8, 2014 at Mandan City Hall, 205 2nd Ave NW, in the Ed “Bosh” Froehlich Meeting Room. In attendance for the Mandan City Commission were Mayor Van Beek, Commissioners Tibke, Rohr, Laber and Braun. City Department Heads present were City Attorney Brown, City Administrator Neubauer, Finance Director Welch, and Business Development & Communications Director Huber. Also in attendance were Mandan Park Board Members, Arenz, Knoll, Allen and Keller. Amanda Lantz was present representing Dakota Star Gymnastics.

NEW BUSINESS:

1. *Consider a sales tax for the purpose of public and recreational facilities to be constructed in the City of Mandan to be voted on in June 2015.* Jason Arenz, President of the Mandan Park District, explained the process regarding this project. They met with all the user groups throughout the previous 18 months. The consensus was that they need to address hockey. Mandan is one of two communities in the state that only have one sheet of ice. They are trying to find ways to bring a facility that meets the needs of kids in the hockey program as well as adult and recreational hockey. Business owners throughout the community would like to see facilities in the city that attract employees to their community. The number one struggle in our community today from a commercial side is employment and to have a pool of employees available for working within our business community. Arenz is here tonight to offer what the Park District approved, subject to the City approval, which they believe is hopefully a solution to this problem.

Hockey and gymnastics are two of the priorities that the Park District feels need to be addressed. The State Committee may not allow the city to host any more gymnastics events due to the conditions of the present location. These are huge money makers for the gymnastics club. At their meeting tonight the Park Board motioned and approved requesting the City of Mandan increase the city sales tax that is collected on an annual basis. It would be an amount no less than \$15 million to be used to fund construction of recreational facilities such as a two sheet hockey rink, gymnastics and the recreational facilities as they see fit. The cost of facilities would depend on land acquisition. It would be more economical and efficient to have two sheets of ice and gymnastics in one location. They want to be good partners and hopefully make it work for everyone involved.

Commissioner Tibke inquired whether the Park District had a Facility Study done. Arenz replied that they hadn't officially had one done. The cost estimates for the hockey arena as it sits today is roughly about \$10 – \$10.5 million for a basic two sheet arena. Commissioner Tibke questioned where they came up with the \$15 million. What does that cost estimate include? It would be approximately \$10.4 million for the facility alone, and depending on land purchases and what they need that could be a wide range. The gymnastics area would be roughly \$700,000 to \$1 million dollars which would add up to about \$12 million with the land purchase. In addition there could be the cost overruns which are usually standard at 10% which would bring it to about \$13 million. The rest would be in case something else comes up. Land acquisition is the main uncertainty as to what it is going to cost. Their other needs might be to update or relocate the football and track fields which might be a good fit for \$2.5-\$3 million which might take them to the \$15 million and then they are out as far as the dollar amount goes.

Commissioner Tibke mentioned that she would like a little more comprehensive package to include all that is needed and to project further down the road perhaps 15-20 years rather than the next 3-5 years.

Arenz brought up that some difficulties that they have come up with are that schools cannot benefit from sales tax dollars. They, (the Park District), have been trying to make it work for the school system by the Park District owning the property but yet abiding by the state statutes. Commissioner Tibke agrees with abiding with state statutes but the taxpayers and the community members appreciate collaboration and maximizing facilities, space, anything to maximize our dollars but provide facilities and needs for 20 years.

Mayor Van Beek indicated that if we are going to do it we need to do it right and concurred with Commissioner Tibke regarding a comprehensive plan. Arenz replied that they also wanted to present something that they know will be able to get on the ballot. That's why they have been trying to bring it in a little.

Amanda Lantz, program director/head coach of Dakota Star Gymnastics, came forward to explain details of the current location which included the negative concerns such as the number of stairs, lack of handicap accessibility, and the lack of floor space for the gymnasts and spectators at their events. Lack of running water at their concession area is a health issue. The actual gymnasium area has areas that can't be utilized due to awkwardly placed walls or the balcony stairs that come over the children. The building is aging and has there have been roof leaks in the past. With the help of the School Board, and fundraisers, DSG purchased a new vault table and yet it is in jeopardy of being ruined by the water.

Cole Higlin, Park District Director, presented information regarding the existing facility at the All Seasons Arena which is located on school property. They would like to expand onto that facility but they are landlocked. There are parking issues. The main thing is that it's a 1985 compressor and chiller system that was "used" when it was installed. It is undersized for the facility. They have had problems with the compressor over the last five years. At the same time they did cost estimates with JLG@25 Architects, they hired a consultant who did a thorough exam of the complete compressor system, piping and concrete. At this time an average size compressor unit is about \$800,000. To get the high end level compressor unit is about \$1-1.2 million which doesn't include replacing the concrete in the arena.

Does it make sense to spend \$1 million at the existing All Seasons Arena knowing that you cannot address the needs for the skaters from today and in the future? If we were to build a second sheet in another location then we would be duplicating staff, equipment, and all the things that, if we had one all-inclusive facility, would not be duplicated. The motion that the Park Board made tonight was to make sure we can address and do things right, not less than the \$15 million. Doesn't mean that we can't partner with the city with some of the needs that the City has. There have been discussions throughout whether it's City Hall, a fire station, or Public Works. Both government entities have needs. We all have an issue of how do to fund them. They are just trying to say that this is the dollar amount that they need to accomplish their goals and do it right. Hopefully the Park District can partner with the City of Mandan for the long term vision of what the city's

needs are going to be. What it really comes down to is what can be funded with sales tax and if what dollar amount would be passable.

With the motion in this evening's Park Board meeting they can execute with JLG@25 to do the site plan, the special assessments of the infrastructure costs, and actually get construction designs. They did a lot of research in advance and it's given them some construction costs. They were revised in July and August to get more up-to-date figures and the numbers have been coming in higher. Talking about visionary, from a Park District standpoint, what they have presented at numerous public meetings is that if money was no option, it would be to add a 2-sheet arena; to add a football and track; share the parking lots in a brand new area of our community that can develop with an increase in homes, retail and commercial interests. All the things that will bring people in to the community that are going to fill our schools, fill our property taxes and increase our sales tax. That's their job is to bring the people in to town by hosting local, regional, state, or national tournaments.

The Park District can go after these types of tournaments with a two sheet arena. They are limited by only having one sheet of ice due to how long it takes to run a tournament. The current gym shortage of space was another topic he expanded on regarding the School physical education and athletic needs, as well as the Park District youth and adult programs. If money wasn't an option and the Park District had a multipurpose facility, they could get the kids in at a more reasonable time and spread some of the responsibilities out at the All Seasons Arena. The School District could use the facility during the day for their school hours for their physical education or high school programs. The Park District could use it during the evening. They would be reaching a lot of people in the big vision of things.

Commissioner Tibke commented that they should plan smartly as far as what needs are to be added on. Whether the needs are right now, immediate or last year? Construction costs only go up. What packaging makes sense? If we are going up to \$20 million does that cover what needs to be done? Is there a public/private partnership that we can put together? The point being that if there are immediate needs last year that we need to address now, and we're going to put this to a vote; there's an appetite in the community with education for people to decide if that's what they want. To spend a little more to do it right now instead of coming back in 5 years with the needs that were needed last year. It saves money to do it right the first time. If we could address the immediate issues now and couple it with the very strong needs of the hockey, and the very strong needs of the gymnastics.

Higlin questioned how many years a sales tax may need to be in place? It's easier to do it for 10 years because the results are easy to see at that point. There's a small percentage of what the Park District's needs are. He knows that the City has its needs. There can be a collaborated effort put together and we can address everyone's needs. It's good government even though the School can't directly benefit. All three entities are all going to be involved in some component. The Park District package just has to be put together with what options the city is willing to participate, if any. What's the dollar amount? The Park District by law can only be in debt by \$6.2 million. So if they were to do it on their own, they would either have to do a revenue bond issue and to back that on property taxes. They are capped at 37.84 mils. They are around 37 mils today so they only have

room to go up about 1-1 ½ mils. To go above that they are going to have to go to the vote of the people.

Commissioner Laber brought up the Sports Economic model. They are different than regular community facility needs like housing, education, and policing. A lot of communities have done partnerships where the community kicks in ¾ of the cost and the rest is done by fundraising and other methods for the remaining ¼ to make sure the community is involved and really wants it. She was wondering if that was something they were looking into or just going for 100% funding with this sales tax initiative. Higlin replied that all the Park District projects require some contribution from the user groups. He gave some examples of previous projects and how they were funded. However, none of those projects were over a million dollars. This is the first project that is in the \$10-\$12 million dollar range. They already have a commitment from the Hockey Club for \$1 million. A portion of the funding could be done for some of the amenities internally and the rest would have to be pledged over time. In his tenure he doesn't recall a fundraiser or drive this large as far as from the Park District's standpoint of this dollar amount. Along with the building of the facility, the maintenance would also be a key component that would have to be factored in. They are requiring lease agreements with the main users and that's the Hockey Club, the High School, and the adult leagues.

Commissioner Laber indicated that she always liked to request the "no action alternative". What does it cost if we don't do anything? Does the Park District have a "rainy day" fund or a set-aside fund if we don't pay \$10 million for a new facility? The Park District will be coming to the taxpayers for the \$800,000 plus or minus. Higlin mentioned what he had stated earlier how they had a \$6.2 mil debt ceiling and how they still have 3-3.2 left. They have been putting funds aside over the last couple of years and have half a million dollars set aside knowing that they are going to have to replace the compressor/chiller system. They might have to take a loan out for the remaining \$300,000. The Mandan Hockey Club has already been partnered with and is aware that if the Park District has to make the improvements to the existing All Seasons Arena, they are going to be having some financial contribution to that.

Denae Johnson came forward to speak. She is on the Mandan Hockey Board. She has been involved with the Hockey Board for eight years. The Hockey Club has grown and their biggest need right now is ice for practice time. She expanded on the random times for practice as well as the large amount of kids on the ice during those times. Because of the lack of a second sheet of ice they are unable to host tournaments. She indicated that by having the second sheet of ice they could bring people in who would put money into the community by staying at our hotels, shopping in our area, and eating at our restaurants. This would contribute back into this fund to make this ice arena available to all of us. The Hockey Club brings revenue into the community by having hockey here. Same thing goes for Gymnastics. She also said that they don't want to go too big because we don't want it to fail; and if it fails, then they aren't bringing this revenue to town either.

Commissioner Rohr questioned the number of participants they have in hockey. Ms. Johnson stated that she thought there were about 225 kids in the hockey program. There are also 60 from high school. Plus there are adult leagues and open skating. She mentioned that it is so congested during these open skates that people might get injured.

Commissioner Rohr asked if she could give a rough figure as to how many people are using the ice and she agreed with 400-500 people using it.

Mayor Van Beek thanked the Park Board for bringing this to the City Commission and speaking out on it. At this time the City is entering into its own Facility Study Needs and it will be taken under advisement and bring it back at one of our next City Commission meetings.

City Administrator Neubauer commented that right now the City is under its own Facility Needs Analysis looking at City Hall and north side Fire Station. Included in our contract with JLG@25 Architects are public input meetings for January and February. Within the next 30-60 days we should have a better picture on what those two projects will be looking at. At our next Facilities meeting which is the Dec.16 with JLG and internal staff we should have a very broad cost estimates of some of the options we are looking at.

Commissioner Tibke asked Administrator Neubauer what the timeline would be if this was to go through to a public vote. Neubauer will check with State law but he believes it is 70 days prior to a vote. This would bring it to March or April. Hopefully we would be further along because there would be some discussions with the Park District on ballot language, polling places, etc. which we would do before February or March. The discussions would also include the priorities from the Park District and the City's point of view.

Commissioner Rohr brought up that the key is that we look into what the projected revenue that a ½ cent sales tax trade over a certain period of time would be generated and how that is going to be split up. The sales tax is only going to generate "x" amount of dollars and only certain projects can be paid for. The crucial thing is knowing how much revenue is going to be coming in and what does the taxpayer want to pay for. Mayor Van Beek indicated that this will all be discussed when this is brought back again at another City Commission meeting. This will all be taken under advisement.

Wayne Papke came forward and asked whether there was any public input at this meeting. He questioned why this was a special meeting. Mr. Papke also brought up the sales tax and asked about the public getting information on it. Commissioner Tibke stated that there wasn't a Public Comment section on this agenda. But it's up to the Mayor as to whether to let anyone speak. Commissioner Tibke indicated she had the information Mr. Papke gave to them. Mayor Van Beek indicated that this issue will be brought up in future public meetings. This meeting was basically an information meeting for the City Commissioners to learn what the Park Board was requesting. Those people who presented information this evening were invited to by the Commissioners to speak.

ADJOURN

There being no further actions to come before the Board of City Commissioners, Commissioner Braun moved to adjourn the meeting at 7:25 p.m. Commissioner Laber seconded the motion. The motion received unanimous approval of the members present. The motion passed.

/s/ James Neubauer
James Neubauer,

/s/ Arlyn Van Beek
Arlyn Van Beek

City Administrator

President, Board of City
Commissioners