

# REPORT

## Greater Mankato Regional Recreation Facilities Development Update

Prepared by

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&

The Minnesota Amateur Sports Commission

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## Summary of September/October 2017 Recreation Facility Meetings

In the months of September/October 2017, the Mankato Sports Commission hosted a series of meetings facilitated by the Minnesota Amateur Sports Commission (MASC) with recreation user groups and recreation facility owners. The purpose of these meetings was to gather information on the current state and future needs of sports organizations and facility operators in the region and determine where opportunities may be present for those entities to partner on facilities development.

Following are general observations from these meetings as well as more detailed summaries of each meeting with sports/user groups and recreations facilities owners. This document was crafted by the Mankato Sports Commission with input from the Minnesota Amateur Sports Commission (MASC).

### General Highlights

- There is clearly a demonstrated need for additional space on the part of user groups.
- Facility owners were very positive about the opportunity to expand and to work with local user groups.
- The information presented shows that preliminary facility plans are on a clear path to excellent local facilities, however, there is not yet a clear path established to facilities of regional presence/scope. Additional work will need to be done to ensure future facilities are of a regional nature.
- A key “compromise” of regional facilities is that while local groups get largely what they want, in order to attract tournaments etc., time must be set aside on weekends for hosting tournaments/other events.
- Facilities often work best when they can be rented to “anchor tenants” who have guaranteed hours in exchange for “buying in” to the facility either with a capital contribution and/or a long-term user agreement.
- All facilities should find a way to sell the 9:00 AM – 3:00 PM non-prime time – schools, active older adults, home school kids, day cares, medical/therapeutic users etc.
- A significant concern raised in interviews with user groups is that of affordability. The hourly rental rates currently being paid by local user groups are very low compared to rates in the metro. New facilities would likely require rates to increase to offset operating costs. This could create affordability issues for families. Since sales tax dollars cannot be used to subsidize operations, this will require further study.
- Many user groups are lacking detailed information needed to plug into an effective proforma. The Mankato Sports Commission/MASC are willing to work to assist those use groups with their financial modeling.
- Any feasibility analysis must consider if new space simply causes groups to vacate other space or if it will create actual new space and added useable hours - Need to determine if new space will address growth or displace old space that is less functional.
- As facilities are developed the Sports Commission should be positioned to help fill them with events that bring in visitors and create economic impact for the community. This means not only promoting the facilities for use, but also organizing/hosting some events as well.

# **SECTION ONE**

## **Summary of Sept/Oct Meetings**

Document from the Mankato Sports Commission which provides overall general highlights from our September/October meetings then summarizes the discussion that took place at each meeting – both for user groups and facility owners

## **Community Sports/Recreation User Groups Meetings**

### Overview

In September, the Mankato Sports Commission hosted four meetings with sports user groups to discuss their needs and how they could contribute to new recreation facilities. These four meetings were organized by facility type (courts, turf, ice, aquatics) with their associated user groups invited to participate (see the attached list of which user groups were invited). The Minnesota Amateur Sports Commission facilitated these meetings. In advance of these meetings, each user group was asked to fill out a workbook that contained specific questions about the user group's facilities needs.

### Ice

- MASC comment: Build at least 2 sheets of ice to make economies of scale work. Does not make sense to build just one stand alone sheet of ice.
- Rinks can be multi-purpose when ice not being used.
- Primary users of ASA are Hockey (both youth and adult), figure skating, Community Ed & Rec via learn to skate programming.
- Cost of ice locally ranges from \$149-\$177 per hour to rent. MASC indicated approximate cost of \$200 - \$220 per hour to rent in a new facility.
- Severe shortage of decent ice time all around. MAHA could commit to at minimum 600 hours of new ice time at a new facility. Currently practicing 150 hours annually outside the community.
- MAHA Would like to host more games & tournaments. Currently host 7 tournaments – would like to host 15-20.
- Verizon Center has 343 additional hours available – though MAHA contends those hours are unstable as ice can be taken away at any time.
- Curling club has own facility with approximately 20 years of lease remaining and recent renovations completed.

### Courts

- Comments from MASC on courts:
  - New facility needs to charge \$50-\$60 per hour to rent
  - There are ways to lower costs through technology
- Basketball currently paying \$10 per hour for weekday courts use. \$50 per hour for weekend courts use.
- Volleyball currently paying \$35 per hour
- Wrestling paying \$20 per hour for space on weeknights and anywhere from \$30-40 per hour for weekend tournament use
- Pickleball interested in indoor space. Have 6 outdoor courts and ability to play indoors at YMCA and PWMS.
- All groups including volleyball, basketball, LEEP, pickleball, wrestling, etc. need more court space for practice, games and tournaments.

## Turf

- Comments from MASC on bubble:
  - \$50,000 - \$100,000 to put up and take down bubble depending on facility size. Life of bubble reduced every time it's set up and taken down.
  - About \$15,000-\$25,000 per month electric depending on size of facility.
  - User groups charged \$350 - \$400 per hour rent in metro.
  - Dome alternative: Sprung Structure – Double the construction price – but ¼ the operating costs and 20 year life span.
  - Maple Grove dome sold out before it opened and had 20 years of guaranteed sold time with anchor commitments (similar to anchor stores in a mall) and joint powers agreements.

## Aquatics

- Duane Proell (aquatics consultant on the phone) – 8 lane, 50 meter pool necessary as well as access to a second pool on site to generate regional/state tournament use. Pools need to be diverse with multiple depths and temperatures to accommodate “cradle to grave” participants and their various activities.
- Duane encouraged consideration of converting existing non-functional/adequate pools into different facility use and building a new joint aquatics center somewhere else.
- Modern technology is reducing operating costs making them self-sustaining and less publicly subsidized.
- Duane Proell was invited to provide a subsequent presentation to all aquatics related stakeholders on November 28th. He discussed how he has worked with other communities to put together aquatics facilities plan that are sustainable. Pointed to several examples in MN (New Prague, Virginia) that he worked on and a 50 meter 2-pool facility in Tupelo, MS (similar in population size to Mankato) that has been successful. Said every project constructed now utilizes joint partnerships to construct.
- Duane estimated that a facility similar to what was constructed in Tupelo (50 Meter, 2 pools) would cost approximately \$15 million.
- Cost to hire consultant to take community through planning process for aquatics and produce a feasibility model and facility plan would cost between \$10-\$30 thousand. Studies and planning would take 5-6 months with construction taking 18-24 months.
- MANTAS:
  - currently charging participants approximately \$100 per month.
  - Paying \$50-\$55 per hour for pool time
  - 60-80 participants
  - Desire to host several swim meets in winter
  - Shortage of competition pools, especially for spectators.

## **Current Recreation Facility Owner Meetings**

### Overview

In October, a team composed of leadership from GMG, Visit Mankato, the Cities of Mankato/North Mankato, Mankato Sports Commission and the MN Amateur Sports Commission held separate meetings with current operators of recreation facilities to determine their needs, plans, and opportunities for partnership on new facilities. Those facility owners/operators included Minnesota State University, Mankato; Mankato Area Public Schools/Community Education & Recreation; Bethany Lutheran College; YMCA; and South Central College. In addition, Patrick Baker on GMG Staff and David Wittenberg, Mankato Sports Commission Chair, met with North Mankato Council Member Bob Freyberg, chair of All Seasons Arena. Summaries of those meetings follow.

### Minnesota State University Mankato

- MSUM commissioned an Athletic Master Plan that was published in 2014.
- Among the several recommendations made in the plan, it calls for a new outdoor football stadium; new outdoor turf soccer field, and an indoor turf bubble. Concept image below:



- While fundraising is underway, there has been little movement on the master plan to date. And there is no specific timeline for construction on any facility moving forward as of yet.
- The key issue is what to do with Blakeslee Stadium. In addition, there is further investigation being done on how to make Blakeslee more usable/multi-purpose (i.e. for soccer / lacrosse).
- The University sees a strong need for indoor turf space. Envisions a facility that could be a field and a half that would accommodate both their students and the community during prime-time hours.
- Recreation is an important part of the University's recruiting strategy. Especially recruiting metro students, they have an expectation for high-quality rec facilities.
- There are some considerations that need to be navigated as it relates to University facilities 1) Bonds issued by the University would be tax exempt which places certain restrictions on private use; 2) New facilities need to be approved by the Minnesota State System Board.

### Mankato Area Public Schools & Community Education & Recreation

- District has convened a long-term facilities task force to evaluate future academic and recreation needs. District willing to be a partner and responsive to community needs on future recreation facility discussions and plans.
- Renovations were just made to East locker rooms with addition of community locker rooms which increases access to pool & gym.
- District also responded to community need by adding 3<sup>rd</sup> court to Prairie Winds and the gym is designed to expand. The District also partnered with MAYBA for the fields at Rosa Parks, North Mankato and Mankato United for the Caswell Soccer fields.
- Community Education & Recreation manages scheduling for all district-owned facilities and operates community recreation programming.
- The district has identified the following recreation challenges:
  - Current aquatics facilities at West are not ideal for practices and are inadequate for competitions; competitions are held at MSU-Mankato.
  - Current East/West football fields are grass – and limited in their ability to be used for academic/curricular activities. Synthetic turf would increase playability and usage for other sports and curriculum. Would also make district more in line with other schools in Big 9 conference and other schools of similar size in southern Minnesota that have already converted to synthetic turf.
  - West would like an improved home baseball field – difficult, but possible, given current space constraints of West campus.
  - La Crosse is a growing sport with need for space.

### Bethany Lutheran College

- Bethany's current facilities are heavily utilized and inadequate to serve their needs.
- Is currently evaluating the feasibility of an on-campus seasonal sports bubble. Plan is not yet finalized and has not yet been approved by Board of Trustees.
- Bethany is very interested in partnering with community on access to this potential facility.

### YMCA

- The YMCA is currently evaluating the feasibility of an east side facility. Conducted community survey and has partnered with national consulting organization used by many YMCA's that have expanded.
- Has 10,000 members currently – estimates they would get 3,500 – 4,500 new members if east side facility were constructed.
- Preliminary plans call for a large gym and 25 yard 8-lane pool in a 55,000 sq ft facility that would open in late 2020. Final plans or location not yet established.
- Willing to partner with other community entities to enhance scope of project.

### All Seasons Arena

- All Seasons Arena is a Joint Powers Board comprised of four political subdivisions (Mankato, North Mankato, Blue Earth County, Skyline).
- The ASA Board hires the manager and the manager hires the staff. The Manager is accountable to the Board.
- The operations of the ice is a contractual agreement with the Mankato Area Public Schools.
- The current Manager of the ASA is Jared Larson, who is responsible for cash flow, accounting, projections, budget preparation, facilities management, customer service, and putting together and conducting board meetings.
- Annual ASA operating budget is 750k – with a \$40k annual subsidy that is provided by the joint powers partners – amount has been stable for 3 decades.
- Total billed hours for last fiscal year was 3,933 hours for 2 sheets of ice.
- Remaining debt is about 500k – scheduled to be paid off in 2023.
- The North Rink needs a new floor and ice system between 2021-2023 at a cost of about \$1.8 million.
- The property was recently appraised at 7.6 million.
- Willing to engage in conversations with MN Amateur Sports Commission and community partners to evaluate ice expansion options and associated financials.

### SCC

- Has current grass fields that are heavily utilized for community use. Are maintained by N. Mankato.
- SCC is currently implementing intramural sports – with the biggest demand among their student being Soccer.
- Long term goal is to join NJCAA (National Junior College Athletic Association) in select sports.
- No current plans for indoor recreation facilities.

### **Attachments:**

- Letter from the Minnesota Amateur Sports Commission providing their analysis, key considerations and proposed next steps moving forward.
- Initial letter from the Minnesota Amateur Sports Commission with their brief summary evaluation following the September/October meetings. This was expanded on in much further detail in the previous attached document.
- List of user groups invited to participate in September pod discussions.

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## **SECTION TWO**

### **MASC Analysis Report**

Report from Steve Olson, COO of the Minnesota Amateur Sports Commission, providing MASC's analysis, key considerations/challenges and proposed next steps moving forward.



To the Mankato Sports Commission,

In our memo dated November 3, 2017 we identified three primary areas associated with the expansion of sports facilities in the Greater Mankato area. Those areas were creating regionally significant sports destinations, maintaining affordability for local users and using the increase in capacity to increase participation.

To reiterate some of the issues associated with these three concepts please keep the following in mind:

- Regional sports facilities require active programming and dedicated weekend time in order to serve a regional constituency. This does not always play well with local user groups because it requires heavy weekend programming which disrupts consistency in practice and game schedules.
- A local association can afford to pay their part of an operating budget, but are not capable of paying debt service in addition to operating costs. A regionally significant facility, even if there is no debt service, will bring higher operating costs due to its size, translating into higher rental costs for local users.
- Simply moving an activity from an older building with low rental rates to a newer facility with higher rental rates will not increase the user base.
- Local organizations must commit to long term use agreements prior to building new facilities. This ensures an operating revenue for the facility owner AND a place to play for the user group.
- Can creative programming, such as the weekday time from 9:00 a.m. to 3:00 p.m., be done to help offset the operating costs borne by the local sports organizations?
- Are there public-private partnerships to be had to offset construction and/or operating costs?
- For the MASC to assist with state legislative action, the facility needs to be of regional significance. What are the expectations of local policy makers in this regard?

**Field House/Bubble-** We met with Bethany directly and spoke to MSU about this possibility. Both are interested in developing a sports bubble. In addition, the local sports groups which would use such a facility demonstrated strong interest/support. Depending on the activity, a large indoor space in the Minnesota climate is a regionally significant facility. It is probably a fact that the regional draw is not as large as the regional draw for a 50 meter pool. Having a place to play indoor softball, soccer, lacrosse or long toss baseball would draw people to the area. Including a walking area will draw the locals. The issue with domes is not who will come, it's how to pay the operating costs through user fees. If you study the recent dome projects around the state all have some sort of tax based operating subsidy ranging from close to break-even to over \$300K per year. A bubble will require local user groups to contractually commit to renting a guaranteed number of hours per year for the life span of the building to ensure adequate operating revenue. If the bubble is to go up and come down annually, the cost of the put-up/take-down must be factored into the operating costs. This will range from \$50K to over \$100K per year based on the size of the bubble. For this fact and the associated monthly operating costs, we do not recommend a bubble larger than about 100,000 square feet. The other options for a facility like this are a rigid frame fabric building (Sprung.com) or a hard-side building. These are double and then quadruple the cost of a dome, but in the case of the rigid frame fabric building can be cheaper to own/operate of a 20 year life span.

**Community Center Elements-**Court sports and a pool are basic elements of a community center. They could be combined into one building, built as stand-alone structures, or built as additions to existing facilities. Combining the common elements of sports spaces spreads the initial cost and lifetime operating costs over a larger user group. Finding means to build together or add on to an existing building would be advised. Ice is also a component seen attached to some aquatics facilities as there are natural operating efficiencies there (Rochester is one example).

**Aquatics-**There is a delicate balance here between the affordability and capacity needs of local users and the fact that only a 50 meter pool serves the regional need. In a regional capacity, the pool would need to run events on approximately 50% of all weekends. It is probably the case the MSU would have to be heavily involved in the pro forma of a 50 meter pool. Pardon the pun, but this area would need a much

deeper dive into construction costs, operating costs and programming prior to moving forward. However, with interest in aquatics facilities demonstrated by the School District, YMCA, and MSU, the community has a solid foundation of potential users/operators to merit further study of a regional aquatics facility. In addition, to be a viable community asset a pool needs play elements and a warm water training pool suitable for the very young and the elderly. Outside of a 50 meter pool, the description offered by the YMCA of a new facility in the area would work well for local swimmers. Operating costs are still high, but with new technology and materials nowhere near as high as 20 years ago.

**Courts**-A need exists for an increase in capacity for basketball and volleyball space. Pickleball and tennis can also use hardcourt floor space. It is still unclear as to how much increase in space is needed to accommodate local use. Creating a facility of regional significance would require 4 to 6 courts in one place. Since the school district is the primary operator of this type of space, it would make sense to add on to a school if not part of a community center concept.

**Ice**-There is strong interest from the local hockey association for additional capacity for practice and tournaments and growth in their overall participation. At the same time, there is discussion regarding looking at better long-term facilities options in light of a potential multi-million dollar repair to the existing facility. Further study to evaluate the feasibility of a new regional ice facility has merit. However, the community needs to keep in mind the following considerations during that process. Options to replace R-22 have significantly increased in number and viability. This may reduce the cost of conversion from over \$1M to under \$100K. This will need to be factored into any decision to build new. In addition, the City of Mankato/Verizon Center has indicated a current surplus of hours at that facility. This will need to be studied and resolved by community stakeholders. Building a new two-sheet facility, which may, or may not, incorporate curling on a third sheet, would create a regional amenity when paired with the Verizon Center and ASA. However, it will also require a design to increase the base of hockey players and figure skaters. Programming fringe time, not just prime time, will be important to a sustainable revenue stream for operating costs. If new is built, the option to repurpose all or part of the current ASA facility to indoor soccer or court sports is an option.

**Large Format Fields**-Fields capable of facilitating soccer, football, lacrosse, ultimate disc or rugby continue to be in demand. With the steady growth in youth soccer and the very rapid growth of lacrosse and rugby the demand for large format space will not diminish. Adding seasonal capacity with artificial turf and daily capacity with lights would help with these sports. Using artificial fields for practices reduces the load on grass fields keeping them in top shape for tournaments. Combining softball/baseball functionality with four large format fields would create a regional destination that would be usable from March to late October. Review the installation at Minnetonka High School.

**Baseball/Softball**-Taking the opportunity to do what you already do well, better, is typically a good course. The Greater Mankato area already excels in these two sports so consider expanding the season by adding full artificial turf fields and lights to extend the playing day. The existing facilities are already regional destinations and improvements like turf and lights make them more relevant.

**Park Elements**-This is another feature where the Greater Mankato area already excels. Trail capacity is excellent, and although it is not a regional sports destination, it is a huge factor in the livability of the community. Expansion in this area gives the general public a reason to move to the Mankato area.

**Evaluation Concepts**-This is a modified set of criteria from the Hennepin County Youth Sports Program used by the MASC to evaluate projects on behalf of the county. The criteria were established by the elected officials of Hennepin County. In addition, the Facilities Development Committee of the Mankato Sports Commission in 2015 developed a scoring rubric that largely tracks the elements used by MASC.

**Partnerships**-Projects that have active partners – other public entities or private organizations – involved in contributing funds or a formal agreement to manage, maintain, or use the facility. Of particular importance is a formally executed agreement to rent space in facilities over a 15 to 20 year period.

**Increased Capacity**-The highest order is for building new facilities. Following this is expanded athletic or recreational opportunities at existing facilities. Adding elements which extend the playing day, such as lights, or extend the playing season, such as artificial turf also create increased capacity.

**Improved Conditions**-Demonstrating existing recreational opportunities would be improved. Making a facility more “playable” for the participants also makes the facility a more desirable destination. The element of making the area a more desirable place to live, work and raise a family should be considered.

**Community Support**-Demonstrated non-monetary support of community organizations, such as volunteer hours, official letters of support, or a commitment to help maintain the facility.

**Number of Residents Served**-Self-explanatory.

**User Demographics**-Socio-economic factors of the user groups. Can the facility leverage participation in lower socio-economic populations.

**Environmental Improvements**-List and describe all environmental improvements. Going green is an important element in managing lifetime operating costs.

**Stewardship and Sustainability**-Responsibly maintain current facilities and provide long-term operational support and maintenance for the proposed facility.

**Regional Significance**-This is the driver of an increase in the tax base so there are two elements here. The first is an ongoing increase in the tax base by making the area a place where the general population would like to live. The second is using the facilities to generate economic impact through sports tourism. Bring non-residents, participants and their parents, into the area who utilize local hotels and restaurants and pay entry fees for the events.

**Facility Owners**-From our discovery meetings it is clear the primary facility owners in the Greater Mankato area are the two cities and the school district. Additionally, MSU-Mankato, Bethany, ASA and possibly South Central College could be owner/operators of new facilities. Of the entities listed, the MASC has only seen the long-range development plan of MSU-Mankato. However, in our experience most recreation facility development occurs with strong local government/school district leadership and partnerships with other government or private entities.

Prior to making any further recommendations to the community partners, we would suggest the following:

- MASC staff come to Mankato/North Mankato for a day or two for a deeper look at the mid and long-range plans of the facility owners.
- The community formally establish a set of criteria for the evaluation of facility projects using the list above and previous work done by the Facilities Development Committee as a starting point. The sales tax policies adopted by the Mankato and North Mankato Councils should also be incorporated in such criteria.
- Secure a facility consultant that can apply the criteria to a list of potential projects which would include consideration of current utilization of existing facilities and the potential for growth through expansion. Fully vet the projects then determine which fit within the long-range plans of the facility owners and which will require "new" ownership.

Let us know how you'd like to proceed in 2018. At your service.

Regards,  
Steve Olson, JD MPP  
Chief Operating Officer  
National Sports Center Foundation

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## **SECTION THREE**

### **Initial MASC Summary Letter**

Initial summary letter that was provided by MASC. This letter was expanded on in much greater detail in their subsequent report.

Anna Thill  
Visit Mankato, President  
11-3-17

Anna,

Over the past two months staff of the Minnesota Amateur Sports Commission have interviewed policy makers, facility owners, and sports organizations in the Greater Mankato Area. This purpose of these meetings was to gather information on the current state and future needs of sports organizations and facility operators in the region. They were also designed to assist policy makers in determining the most effective manner of applying funds realized from a local sales tax to sports facilities.

We interviewed user groups involved in field sports (including large format indoor spaces such as bubbles), court/indoor sports, aquatics, and ice sports. We also interviewed property owners including colleges and universities, school districts, municipalities, the YMCA and private operators. In all, the meetings were very positive and clearly showed a need for additional sports space on the part of the local organizations. The facility owners were also very positive about the opportunity to expand and to work with the local user groups.

At the start of this project the MASC was tasked with delivering opinions on a regional sports facility concept. A concept that would create a sports destination(s) for the Greater Mankato Area and that would increase the sales tax base through an increase in lodging room nights. Although the information presented shows a clear path to excellent local facilities, there is not a clear path to a regional presence. This issue need to be addressed by policy makers prior to moving on.

The interviews with local sports organizations produced one significant concern, that being affordability. The hourly rental rates currently being paid by these groups are very low when compared to rates in the Twin Cities. New facilities would likely require rates to increase to offset operating costs. This may create significant affordability issues for families with children in sports groups. Since the proceeds of the sales tax are not to be used for operating expenses, a more thorough analysis of operating costs and potential subsidies required by the facility owners is needed.

A final observation is that all of the sports organizations cited limited space as an impediment to growth. A concern in the opening of any new sports facility is that you have simply moved the activity from an old building to a new one and there is no associated growth. Increased capacity at the local level should promote growth but also needs to provide enough capacity to fulfil the needs of a regional sports destination. Greater detail on current capacity and use is needed; then a prospective look at new capacity and use.

As has been said in all of the meetings, this is a remarkable opportunity for the Mankato Area and we continue to look forward to assisting your policy makers in advancing this program.

Steve Olson, JD MPP  
Chief Operating Officer  
National Sports Center Foundation

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## **SECTION FOUR**

### **User Groups**

A list of user groups that were invited to participate in the September meetings.

Sports Association Pod Invites

<b>Facility</b>	<b>Sport Association Contacts</b>
ICE	Mkto Area Youth Hockey Assoc.
ICE	Mankato Figure Skating
ICE	Mankato Curling Club
TURF	Mkto N. Mkto Youth Football
TURF	Mkto Area Youth Baseball Assoc.
TURF	Mkto Area Girls Fastpitch Assoc.
TURF	United Soccer
TURF	Mankato Area Softball
TURF	LEEP
TURF	Mankato Area Lacrosse
COURT	Mankato Basketball Assoc.
COURT	Mankato Pickleball
COURT	West Area Volleyball Association/ Minnesota Attack
COURT	Mankato Wrestling Club
COURT	LEEP
COURT	Greater Mankato Tennis Assoc.
POOL	MANTAS

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