

The Council was supportive of ERX exploring additional events and land use.

9.2 Flashing Crosswalks

Mr. Femrite presented the staff report.

Councilmember Wagner clarified the proposed flashing crosswalk signs were \$12,000 of the total cost.

Mayor Dietz asked if, by putting up a flashing crosswalk sign, the city was setting a precedent with other groups requesting signage.

Mr. Femrite stated guidance documents could be refined to set specific criteria for Elk River.

Mayor Dietz asked about funding for the signs and street improvements.

Mr. Femrite stated he would look into possible sources of funding.

Councilmember Westgaard favored establishing implementation criteria so the city is not faced with many requests which resulting in flashing lights all over town.

Mayor Dietz was in favor of the project provided funding could be resolved.

Mr. Femrite will draft a policy to set qualifications and determine funding options and bringing it back to council for approval.

9.3 Arena/Civic Center Discussion

Debbie Rydberg, Executive Director of the Elk River Chamber of Commerce, read a prepared statement.

Councilmember Wagner had a meeting with the Chamber of Commerce and specifically asked them to take a formal stand on their position. She wonders if everyone is happy with the reduced cost ice arena project solution and feels it is a good idea to look at the bigger picture. She proposed having a series of public meetings with the business community and public between May 1 and June 1 to listen to feedback, answer questions, and hear comments and concerns.

Councilmember Olsen felt the city does a lot of benchmarking and in the future, a larger Elk River may be able to support a larger facility. He does not know if the city is in a position to go with a more costly option and feels the current issues should be dealt with. He also mentioned he was able to meet with the seniors to talk about their viewpoint on relocating or fixing the Senior Center.

Mayor Dietz asked Ms. Rydberg if she was inferring the Chamber supports a larger facility that includes an arena. Ms. Rydberg stated the issue was not just about hockey

but about a facility with the potential of additional future revenue and the Chamber is not advocating for any specific plan.

Mayor Dietz said if they were to prioritize current city projects the arena may end up on the bottom of the list. The Senior Center will likely last for a couple more years. Citizens do not have an appetite for a huge project. If adding a sales tax to raise funding for the facility and future repairs is the option, then the cost must be very specific. He expressed that, thus far, the city has not done a great job at setting aside money for repairing buildings and, if the city had set aside funds 20 years ago, it would not be faced with the decision to raise property taxes or add a sales tax. He stated the city needs to repair the problems and the consultants said the facilities should last another 30 years with these repairs.

Councilmember Wagner questioned if going with a \$16 million repair would make sense or if a larger facility with retail space would more impact on the future of Elk River. She feels there are residents who have an opinion but haven't come forward yet and she would like to give these people an opportunity to speak before reaching a final decision.

Councilmember Olsen said the current arena location is convenient for students.

Councilmember Wagner asked if the council are willing to continue the discussion and if the city can see a larger investment than the current \$16 million plan.

Mayor Dietz asked Councilmember Wagner if she was coming back to the larger plan that was discussed earlier in the year. He wondered if she could "sell" the average tax payer on a higher priced option.

Councilmember Wagner said the city could hire consultants to do an economic impact study.

Mayor Dietz said the average taxpayer would not be in favor of a \$25 million cost and asked if business owners are willing to have their taxes raised. He stated a local sales tax to pay for the arena and other recreational projects would be a one-time thing and if the local sales tax was rejected by the voters, those buildings would have to be paid for with property taxes.

Ms. Rydberg questioned if increasing property taxes would increase businesses revenue.

Councilmember Westgaard disagreed. He expressed disappointment that the Council can't seem to share the same story. He reminded council that the city does have a master plan for maintaining and building infrastructure and funding is derived from the Building Reserve Fund. About five years ago, the Parks and Recreation Department had a vision for increased trails but no master plan and the council directed staff to develop a park master plan. He felt the council should not continue to buy things without a plan to staff, maintain, and replace equipment. Among the



city's facilities, three were not addressed – the Senior Center, Lion John Weicht Park, and the Ice Arena.

Councilmember Westgaard reviewed that multiple plans have been brought to the Council since 2006 asking for direction on the ice arena facility. He understands business owners pay a higher percentage of taxes, set by state law, but he disagrees the city has no vision. He also expressed frustration the project is considered a \$25 million ice arena when the proposed project involved many components including ball fields, Lions Park Center improvements, turf field house, meeting space, retail space and ice rinks. His intent is to educate the voter and reassure them the Council has the project figured out. He felt putting the brakes on the project may have lost money and it displayed poor leadership. He expressed there is still time to make an informed decision but the issue of the sales tax option would need to be determined by July whether or not it should be brought to the voters at the General Election in November.

Councilmember Westgaard stated quality of life issues do not hit the entire community, each project will have people saying “why me?” An ice arena is an expensive building to own and operate and if the city does not have the appetite to maintain it, then it should be sold. Watching facilities deteriorate is irresponsible and the council is expected to have fiscal responsibility and make decisions.

Elk River resident Larry Toth stated the approach should be proactive rather than reactive.

Mayor Dietz proposed the city see how the sales tax vote turns out. He said if the Local Option Sales Tax (LOST) vote fails, property tax dollars would be needed to pay for the proposed project. He felt the LOST question on the ballot needs to be clear on what the sales tax would be paying for.

Councilmember Westgaard said there may be ways to pay for it through funding, contributions, or backloading bond payments in order to not see a huge spike in tax base. He also felt an ice arena does more than most facilities to cover its own operation cost. He stated other communities ask for participation from organizations to cover operating costs.

Councilmember Olsen agreed, citing the recent donation from Elk River Basketball. He felt the conversation should be deferred. Councilmember Westgaard asked Councilmember Olsen what decision he is looking for.

Councilmember Olsen asked if ISD 728 would want to split their ball fields.

Mr. Portner stated the minimal need is to replace the varsity field. With minimal soil mitigation at Lions Park, the addition of the second field further meets city recreation needs currently and into the future.

Councilmember Westgaard stated the impact to the acreage at Lion's Park was way more than two ball fields.

Councilmember Olsen commented on using the Olympic sheet of ice as dry land training and having two rinks and one ball field.

Councilmember Westgaard felt council cannot stop their planning and they have good information gathered. He further noted something needs to go on the ballot whether it is the renovation of the ice arena or an expanded option. He added the council needs to continue dialogue because they are divisive on how to proceed.

Councilmember Ovall stated a total dollar amount needs to be determined on how large of a sales tax to request. He was surprised residents he talked to were in favor of a sales tax but against a property tax because they have control on how they spend their money. He was also surprised youth hockey was not tied to the location at the school but just wanted access to ice. Youth hockey was primarily concerned about maintaining the facility for continued use until another solution is reached.

Councilmember Westgaard said bussing kids to a different location is lost revenue because of transportation time.

Mayor Dietz stated a \$25 million ice arena on the ballot it will not pass.

Councilmember Westgaard reiterated the \$25 million included a larger project than just an ice arena.

Mayor Dietz asked if the ball fields were included in the total cost. Tom Betti of 292 Design Group and Brian Recker of RJM Construction responded that fields were included. Mayor Dietz said it would be good to know exactly what is included; however, the average person is still going to see it as an ice arena.

Councilmember Westgaard stated the five councilmembers need to provide a united response to community members that this project is more than just an arena and is a good investment.

Councilmember Wagner felt the councilmembers were all on a different page and it would be irresponsible to go forward with any plan. She asked for clarification on whether non-licensed high school students would have to be bussed back and forth to practice if the ice arena was relocated.

Councilmember Westgaard stated he has met with the school and they are not opposed to a different location but it would mean that accommodations would need to be made to transport non-drivers.

Mayor Dietz asked what the boys and girls golf team does as far as transportation since the golf course is off school grounds. He questioned if there is any liability for students to drive themselves.

Mayor Dietz does not object to Councilmember Wagner's proposed listening sessions. He stated the city has missed the prime bidding season and the project would probably not happen in 2018. He felt the five members of the council may never agree on what kind of project it should be. Mayor Dietz asked Councilmember Wagner about when to schedule the meetings and she responded it should be different times of the day to work with business owners and residents. The meetings would be advertised using the Chamber and city social media channels as well published in the newspaper. A special meeting notice would also need to be posted.

Councilmember Westgaard expressed a desire that discussion with the YMCA and Senior Center need to continue.

Mayor Dietz agreed the seniors had some misunderstandings that council members were able to clarify by meeting with them.

Councilmember Westgaard suggested members of the council be liaisons to certain affected groups and make sure the correct messages get to them. He felt the number one challenge the council faces is mitigating rumors.

Mayor Dietz has told the seniors they will be informed when a decision will be made but they are currently in the process of fact gathering concerning the implications of moving the Senior Center to the YMCA.

Councilmember Wagner asked Mr. Portner if he and Mr. Czech could provide a list by the end of May that details the repairs needed to keep the ice arena operational.

Councilmember Ovall asked how listening sessions would be structured, if they are getting feedback, and what participants should prepare. The purpose is to listen to resident feedback and to clear up rumors.

10. Adjournment

There being no further business, Mayor Dietz adjourned the meeting of the Elk River City Council at 9:11 p.m.

Minutes prepared by Katie Porath.

John J. Dietz, Mayor

Tina Allard, City Clerk

