

***ANDOVER CITY COUNCIL SPECIAL MEETING – OCTOBER 9, 2018
MINUTES***

The Special Meeting of the Andover City Council was called to order by Mayor Julie Trude, October 9, 2018, 7:00 p.m., at the Andover City Hall, 1685 Crosstown Boulevard NW, Andover, Minnesota.

Councilmembers present: Mike Knight, Sheri Bukkila, Valerie Holthus and James Goodrich
Councilmember absent: None
Also present: City Administrator, Jim Dickinson
Director of Public Works/City Engineer, David Berkowitz
Recreational Facilities Manager, Erick Sutherland
Others

AGENDA APPROVAL

The agenda was approved as presented.

***UPDATE/DISCUSS POTENTIAL CITY CAMPUS MASTER PLAN/PROJECT
COMMUNITY CENTER EXPANSION***

Mayor Trude stated tonight there will be a presentation of the potential City Center expansion project by consultants and summary by City Administrator Dickinson. She will also open the floor for public comment followed by Council deliberation and consideration of next steps.

City Administrator Dickinson presented the item, noting the City Council had requested an update from the 292 Design Group, RJM Construction, and staff relative to the potential expansion of the Andover YMCA Community Center. In addition, staff will provide an analysis of the numbers and tax impact for construction, and operational costs. It was noted the focus of tonight's update and discussion will be on the design/development progress, partnership/stakeholder progress, current construction cost estimates, construction budgets, construction timing for potential components, and proposed timing of needed Council decisions to move forward.

City Administrator Dickinson presented the project history as detailed in the staff report starting from the Council's decision on September 19, 2017, to solicit for Requests for Proposal (RFP) to explore a Community Center expansion to tonight when the 292 Design Group and RJM Construction will present drawings and the most recent cost estimates for discussion. It was noted the Andover Hockey Association has indicated it will contribute \$500,000 towards a multi-purpose arena in payments made over ten years.

a. 292 Design Group Presentation (Architect)

Mr. Mark Wentzell, 292 Design Group, stated they have analyzed potential work structurally, mechanically, and electrically. He displayed the site plan, noting the need for additional parking as there is currently a parking shortage. Also, some parking locations will need to be moved and the lot reconfigured. He pointed out the locations along Hanson Boulevard of expanded parking and closing one driveway to City Hall and replacing it to the west. There will also be an adjustment to the west parking lot. About 200 parking spaces will be added.

Mr. Wentzell displayed a colored diagram depicting the existing building as well as proposed expansions for Multipurpose Area #1 adjacent to the rink, Multipurpose Area #2 adjacent to the fieldhouse, Multipurpose Arena, Fieldhouse, and YMCA.

Mayor Trude suggested using the term Flex Space rather than Multipurpose Area.

Mr. Wentzell displayed the second floor plan that included dryland training space, an indoor walking track, and also YMCA space. He explained that Multipurpose Area #1 would include office space for staff and create a meeting room/community room that is of a larger size and nicer finishes for a variety of community activities that could hold 150-200 people and be subdivided. It will also have the ability to serve refreshments. Other improvements will include the electrical and mechanical system and arena expansion.

Mr. Wentzell stated Multipurpose Area #2 will expand the amount of multipurpose senior/teen programming space for a variety of activities. The teen room is meant for multiuse but may be set up more for teens than a neutral room. The other multipurpose room will be more focused for senior use. A Fieldhouse Access/Crash Space Area will help with the fieldhouse use and need for crash space for athletes when not playing sports. In addition, the restrooms will be reworked.

Mayor Trude asked if the Fieldhouse Access/Crash Space will be on the same level as the fieldhouse. Mr. Wentzell explained the fieldhouse is three feet down so that hallway will be three feet lower than the upper corridor serving the teen and multipurpose rooms. Mayor Trude asked if this is in response to staff comments. Mr. Wentzell stated that is correct and will better address the number of youth in the building for weekend tournaments.

Recreational Facilities Manager Sutherland stated support for access into the fieldhouse a little farther down, which will help with the current congestion. City Administrator Dickinson noted when a game is being played on the court, it will provide a safer option than having spectators meandering along the edge of the court to get to their destination.

Mayor Trude asked if this will also help provide vendor access during the Home Show. Recreational Facilities Manager Sutherland stated it will provide additional points of access. Mr. Wentzell stated it will also provide more of a staging area.

Councilmember Knight asked where pickleball will be played. Mr. Wentzell pointed out the location of the courts. He agreed that approving another access to the fieldhouse will provide a measure of safety for spectators.

Mayor Trude stated the Council talked about not creating designated spaces that create ownership. Mr. Wentzell explained there are things that are out all the time, such as a ping pong table for teens to use after school, but the teen room can open to the multipurpose room and be used as one space. In the multipurpose room, it may be set up most often with card tables and chairs to accommodate seniors who meet there every morning. But, again, that can be put away when the space is used in a different way.

Mayor Trude asked how this space will work for larger after school programs. Mr. Wentzell noted the uses can change seasonally, as the summer needs will be different then when school is in session. He explained how the rooms will be assigned for use based on the type of activity and number of participants and assured the Council the rooms will be as adaptable as possible.

Mr. Wentzell noted the multipurpose area that has glass windows to make it more inviting. Mayor Trude stated it also looks to be an extension off the lobby.

Councilmember Knight asked about the office space that is needed. Mr. Wentzell described the location of an office for staff on the west end of Multipurpose Area #1. In addition, the lobby will have a welcoming desk and check in space where staff can view down the hallway and welcome people.

Mr. Wentzell presented plans for the Multipurpose Arena that will have turf for spring use before outdoor fields are available and ice for six months of the year. It is a practice arena so it only has seats for 200-300 spectators. He pointed out the location of the entrance that overlooks the floor, upper floor space and pro shop. Mr. Wentzell stated there will also be restrooms, referee and coach rooms, three team rooms, a multipurpose storage area, rooms for maintenance, and a new ice resurfacers room that has access to serve either arena. The existing ice resurfacers and refrigeration rooms will be expanded.

Mr. Wentzell stated windows and doors will be added so you can see and move from arena to arena. He noted if an outdoor ice arena is constructed, the Zamboni could also serve that location. Mr. Wentzell stated the second floor of the Multipurpose Arena has a running/walking track around the arena. To the west side, there is an area for dryland training. He noted the Hockey Association is participating in building that space. In addition, there is space off to the sides for other fitness activities. Mr. Wentzell stated this arena will be heated at a comfortable level. In the winter it will be heated from the mid-50s to 60 degrees and during the summer, it will not be air conditioned but an alternate will be received for that option. Mr. Wentzell estimated the track length is about 600 feet, there will be a safety railing, and a net to protect from hockey pucks or other balls.

Councilmember Holthus stated New Hope has a track like this at their arena and it is always busy. Mr. Wentzell explained it is an economical way to get a running/walking track.

Mayor Trude noted there are not as many recreational options during winter weather so the Park & Recreation Commission supported including this track.

Councilmember Holthus stated a track had been considered with the first Community Center but dropped as a cost cutting measure. She noted it will now probably cost a lot more. Mr. Wentzell stated the track will be three lanes wide so people will feel comfortable. He stated the corners will not be banked.

Mr. Wentzell presented the Fieldhouse expansion plans that will be one basketball court, or three volleyball courts, or six pickleball courts in size with generous perimeter space for spectator seating. He noted the points of entry that will accommodate weekend tournaments without using the YMCA entrance. This will also include a check-in desk for staff.

Councilmember Knight asked where spectator seating will be located. Mr. Wentzell used a floor plan to point out the locations where portable bleachers can be set up.

Mayor Trude asked if a Home Show can use this space. Mr. Wentzell pointed out the location of open space from the existing fieldhouse to the new fieldhouse. He also noted the storage room that could be adjusted to provide better flow. Mayor Trude stated she has heard for 15 years that there is not enough storage so sometimes equipment has to be rented.

Recreational Facilities Manager Sutherland stated the City and YMCA struggle with storage of equipment, there is currently a pod outside to accommodate some storage, and the tables and chairs are being stored in the boiler room. Mr. Wentzell stated this expansion will double or triple storage space, noting some storage rooms come right off the courts for easy and convenient access.

Mr. Wentzell noted there will be dressing rooms in the back of the bathrooms that can be used by athletes.

Councilmember Knight asked if there is an office for a police officer. Mr. Wentzell stated there is not a dedicated office in the new plans. Recreational Facilities Manager Sutherland stated there was a dedicated Sheriff's space in the original Community Center but it has now been taken over by staff. Councilmember Knight stated it would be nice to have a dedicated space for the police. Mr. Wentzell noted there is flexibility in the pro shop area to accommodate that type of room.

Mr. Wentzell presented the YMCA main level plans, noting they want to expand three areas: child care, gymnasium for members only, and fitness space. The YMCA also wants to rework their lobby so it functions better. He pointed out the location dedicated to children programming and added space for kids' activities and multipurpose room for other activities. The reception

area is under study. The new gymnasium will be used for children and adult programming. Mr. Wentzell stated the existing playscape will remain as it is today and the Child Watch space will be rearranged. He explained how a new elevator will provide better access for their patrons. Mr. Wentzell presented the YMCA second level plans, noting the location of the new gymnasium, staircase, expansion areas for fitness, and relocation of the administrative offices to a space that is more remote. Mr. Wentzell stated they are in the initial stages, looking at the layout for these areas so a cost estimate is not yet ready for the YMCA.

Ms. Allison Boes, representing the YMCA, stated the main level focus will be kids to accommodate day camp, advising they can solely fill their own gymnasium with programs for all ages and the membership base. They will add a multipurpose area for a variety of different programs as they currently lack evening programming and expanded weekend programs. Ms. Boes stated they will continue to work on details of the space.

Councilmember Knight asked if the library will be there. City Administrator Dickinson stated the library likely will expand their offering at a different location within the facility and will replace the lockers with new.

Ms. Boes stated with the second level, it is mostly a fitness expansion that is user friendly and accommodates added programs and senior adult programs. She stated the YMCA gave away 250 summer memberships, which was very successful, so it is important to accommodate youth activities.

Mayor Trude described the after school program that is offered and asked how that will work. Ms. Boes stated the YMCA has a free after school youth center for middle and high schoolers from 3-6 p.m. on school days and they would like to expand that program. Currently, the kids have to be out by 6 p.m. but they know many linger longer than 6 p.m. During the summer, they don't offer a lot of teen programming because of space so opportunities would be good to offer for the community's youth. Ms. Boes stated with seniors, the majority of senior programs are from 8 a.m. to 2 p.m. but with the additional multipurpose spaces, can be expanded and include evening programs.

Mayor Trude asked if a dedicated teen room will be used for weekend programming. Ms. Boes answered in the affirmative and stated it would serve the community. City Administrator Dickinson stated this would be shared space, noting the City funds programs and provides the space so the City would look to expand the programs for the kids.

Mayor Trude asked about the basis for providing safe places for kids to gather. Ms. Boes stated for kids that don't have opportunities and financial barriers, the YMCA is the best place for them to be all year. She stated the YMCA mission is to provide kids with access to programs and a safe place to be. City Administrator Dickinson stated there are a number of youth who do not participate in organized sports or music that would like a location to go.

Recreational Facilities Manager Sutherland stated it is important to keep Multipurpose Area #1

in mind because the City already books hundreds of hours for community meetings.

Mayor Trude asks what happens at 2:45 p.m. if there is no programming. Recreational Facilities Manager Sutherland stated the kids roam the halls and can cause issues for staff.

Councilmember Holthus stated that occurred when the Community Center originally opened. She asked how the Andover YMCA compares to other YMCA locations.

Ms. Boes stated Andover is the second or third largest in the Twin City's association. The Andover YMCA sees about 700,000 visits a year so it is extremely busy. She stated just under 50% of YMCA members are residents of Andover, which is very high and uncommon.

Councilmember Knight asked if there will be computer stations for seniors to use. Ms. Boes stated they will look at all options for senior programming.

RECESS AND RECONVENE

Mayor Trude called a recess at 8:09 p.m. The meeting was reconvened at 8:17 p.m.

b. RJM Construction Presentation (Construction Manager)

Mr. Brad Barickman, Vice President of RJM Construction, stated the drawings evolved with additional detail so they have quantities to use in a mock bid scenario. He stated they received two to three bids from each category that they used for comparison and to prepare the estimates being presented tonight. The numbers include contingencies and a construction index.

City Administrator Dickinson noted the YMCA portion is not included in these estimates.

Mr. Barickman presented the project cost estimate for the Andover Community Center totaling \$18,976,377, which included: West Site/Parking at \$2,052,382; East Site/Parking at \$620,066; Multipurpose Area #1 adjacent to Rink at \$1,118,694; Multipurpose Area #2 adjacent to the Fieldhouse at \$1,653,900; Multipurpose Arena at \$11,281,761; and, Fieldhouse at \$2,249,574.

Mayor Trude asked about the impact of tariffs and inflation increases. Mr. Barickman stated at the beginning of the year, the market was volatile but the last few projects have come in on target. He stated there continues to be a worker shortage and while steel tariffs can play a role and potential impact, the 3-4% inflation factor makes them optimistic it is accounted for.

Mayor Trude stated value engineering can be considered at this point to 'tighten the belt' with different types of panels on the back side. Also, trees can be planted along those areas to make it look nice. She noted the less the project restricts the market, the more bids will be received. Mr. Barickman stated that is correct, the City would not want to name a specific product or single source. He agreed there are areas where valued engineering can be applied.

Mayor Trude asked if additional design is needed or the bids written differently. Mr. Barickman stated they can bring the design in line to find more value engineering. They can also include some strategic alternates if there are items that could be potentially added or removed on bid day. Councilmember Holthus asked for an example of value engineering. Mr. Barickman stated there could be different precast finishes on exterior wall panels, light fixture manufactures, or different ways to run HVAC systems in the building.

City Administrator Dickinson stated there is an existing facility and the direction to the architect was to match quality of materials of the existing facility.

Councilmember Holthus commented on the importance of durability so it looks nice for a long time.

Mayor Trude asked if the Council is willing to look at other products if durable or would they rather cut space. Councilmember Holthus stated she would be willing to look at other products as long as they are of high quality and durable. Councilmember Knight stated he would consider value engineering options.

Councilmember Holthus stated she has some suggestions. She noted bathrooms are expensive and asked instead of the bathroom by the fieldhouse, can the other bathrooms be used instead. City Administrator Dickinson stated the Building Code requires a certain number of bathrooms. He noted the staff report itemizes value engineering areas that can be considered. One of the bigger items is to consider performance parking that plans for Code requirement but it may not be built until actually needed. He noted there is overflow parking at Sunshine Park and sections of added parking so he would ask if it is all needed initially. City Administrator Dickinson stated staff can look at those areas.

Mr. Barickman stated value engineering is effective in the 3-5% range but after that, it cuts scope. The three contingencies total about \$1.6 million.

Mayor Trude noted with the original Community Center project, bids came in higher but through value engineering they were able to complete the project within budget. She stated the current building looks very nice from the Hanson Boulevard side, which is important. She noted everyone wants the price to go down and staff has done an excellent job in looking at options, including performance parking that has been done in other areas. She stated the parking should accommodate the majority of events but maybe not peak events.

c. City Administration Presentation

City Administrator Dickinson stated staff will update the proforma analysis based on these estimates and come to the tax impact of this project as well as the operational component impact on taxes. He displayed a spreadsheet that included inflationary factors, ice rent, revenues, expenses, revenues over/under expenditures, noting that data eventually gets to the tax impact.

Administrator Dickinson displayed a drawing that staff used to determine the financial impact, noting the YMCA lease agreement requires them to pay their own way. That lease agreement will have to be renegotiated going forward to address space use, ownership, and parking needs. City Administrator Dickinson then displayed and presented a spreadsheet that included construction costs for each proposed area and operations as well as a breakout. He noted with the full project, a \$250,000 median valued home would have an annual tax impact of \$113.76. With only the Multipurpose Arena, Multipurpose Rooms 2a and 2b, and Sitework (4a and 4b) the annual tax impact would be \$100.32. With the Fieldhouse, Multipurpose Room (2b) and Sitework (4b) the annual tax impact would be \$27.70.

City Administrator Dickinson asked whether there were any areas the Council did not support or is there a total construction cost target or target for the total tax impact. He stated staff evaluated the existing building for what needs to be done as it is 15 years old and well used. Deferred maintenance items are estimated at a total of \$2,897,645 plus CIP operational items of an additional \$116,230. He noted replacing the refrigeration system as a stand-alone project would cost \$1,086,323 but if part of a construction project, the cost would be reduced to \$550,000.

City Administrator Dickinson reviewed funding sources including the Hockey Association and Park Improvement Fund as this space for expansion was to be a park area. He referenced the staff report and a detail listing of value engineering items that could drive down the project cost.

City Administrator Dickinson stated the City can finance with GO bonds, referendum bonds that require a vote of the public, or tax abatement bonds which is how the existing facility is currently financed. The interest rates of each would be about the same.

Mayor Trude noted with the full project including contingencies and inflation, there would be an annual tax impact of \$113.76 on a median priced home. If the fieldhouse is not constructed, the annual tax impact on a median priced home would be down to \$100.32. She stated she would prefer to not cut the fieldhouse or arena, which provide a lot of value to the community. Mayor Trude stated she would like the annual tax impact to be no higher than \$100 and asked if value engineering can get the project to that point. She stated her support for multipurpose rooms and asked whether additional space is needed for weekend teen space. She stated her personal perception that in Andover, there are not that many kids on the street except for after school times when parents are not yet home and they are too old for childcare. Mayor Trude commented on the positive resident comments from the Home Show that it is of benefit to residents and a huge economic development tool. She likes the idea of segregating court play from the entryway and redesign of the loading area. Mayor Trude stated pickleball is keeping residents healthy, which is a necessity, and this building will keep a lot of people healthy including keeping kids active. She stated the community supported the original Community Center project and it put Andover on the map. Mayor Trude stated there have been a lot of projects where the contingency is not used so she would hate to eliminate something if that is not needed.

Recreational Facilities Manager Sutherland stated the new fieldhouse would be sold out from the

start because there is that much demand already. He stated it would also expand to 12-16 courts and may offer more pickleball courts than any facility in the State. He explained the difficulty using the current arrangement as the courts are separated by nets so having one court that is open but precast between would be a benefit.

City Administrator Dickinson stated the high school project builds just what they need so the high school will be at capacity once their facility is constructed.

Mayor Trude asked about community growth. City Administrator Dickinson stated the population is 33,000 to 34,000 with an average of 75 homes being constructed each year. He stated there have been some spikes in construction activity and growth remains in the residential market since Andover is classified as a demand market because of its schools, community amenities, Community Center, etc.

Mayor Trude stated if 100 houses are constructed in a year and a half, that would be about 300 new residents or 1,000 new residents over 4-5 years. The City has 200 sewered acres that could be developed with 3 homes per acre plus some lower density rural areas. City Administrator Dickinson stated at buildout, Andover is estimated to be mid-40,000 in population

Mr. Jim Stiller, 15250 Verdin Street NW, Realtor with Keller Williams Classic and Sharper Homes, reported Andover is significantly stronger in square foot costs at resale than surrounding communities because the homes are sought after due to the Community Center so he supports investing in it again. He explained many Andover homes are in the \$450,000 range and the tax impact is not nearly as much as the resale value increase in those homes. Mr. Stiller stated generally homes not selling are nonconforming or not correctly priced. He based his information on sales statistics.

Mayor Trude asked where Andover stands based on other communities with regard to tax capacity and if taxes are raised for this facility, will that push Andover higher. City Administrator Dickinson stated if the expansion is approved, Andover will probably move two communities up in Anoka County when compared to other Anoka County communities, likely higher than Blaine and similar to Coon Rapids and Ramsey. Currently, Andover is one of the lower-ranked taxed communities in Anoka County.

Recreational Facilities Manager Sutherland detailed the number of ice hours that would be available, estimating 1,200 hours of prime ice during winter months, so hours will be moved from the Super Rink to this rink. He explained how high school and hockey association ice hours will be allocated. In addition, both high school programs can be run right after school instead of later in the evening. Recreational Facilities Manager Sutherland stated with hockey, community programming, open skating, and adult leagues, the hours would be quickly used during the winter months.

Mayor Trude stated there is confusion why people don't use outdoor ice for hockey programs. Recreational Facilities Manager Sutherland explained outdoor ice is inconsistent in quality and the weather can be inclement for use, so it is difficult to schedule. Mayor Trude stated another

issue is availability of ice.

Recreational Facilities Manager Sutherland stated the turf space is an unknown. Staff talked to stakeholders in baseball, softball, track, soccer, and the high school so he thinks it will be well used from March through May.

Mayor Trude asked for comments on the teen space. Recreational Facilities Manager Sutherland stated the senior programming is amazing and well used and the teen programs get better every year so it has changed how the City needs to operate in having a place that is supervised. He would like to see that continue to grow.

Mr. Ted Butler, Vice Chair of the Community Center Advisory Commission (CCAC) and Vice Chair of the Park & Recreation Commission, described his volunteer involvement with other sports. He stated these spaces are for ages 1 to 100, not just kids or youth. He stated the CCAC has been supportive of moving forward with this expansion and the Park & Recreation Commission is also supportive of moving forward and allocating \$1 million of park dedication fees provided by developers. Mr. Butler stated the CCAC thinks the walking track would be a good project for those park dedication funds. He stated the CCAC spent a good deal of time looking at use of space, noting the current facility was built 15 years ago when the City was smaller and has served the City well. The CCAC received input from users on the need for additional flexible space, multipurpose space, gym space, and turf space so they think it is time to address these needs and the future growth of the City. Mr. Butler offered his personal opinion that it is important to consider that construction costs and interest rates are not likely to decrease so he would ask what the project would look in like five years if not done now. He believed communities that invest in themselves and their facilities are places young families want to move into. Mr. Butler stated in 15 to 20 years when he sells his house, he wants to know that some young family will be interested in moving to Andover. He stated his support to move forward with the Community Center expansion.

Mayor Trude asked Mr. Butler where he sees areas for value engineering. Mr. Butler stated the current facility is nice aesthetically and functionally but there may be places to trim back on aesthetics, such as decorative side wall panels or use more efficient lighting.

Mr. Tony Peterson, CCAC member and Vice President of the Hockey Association, stated the outdoor ice is used by the Association's youngest skaters because they can't get indoor ice yet they are the most susceptible users. In addition, outdoor ice may heave, cause a tripping hazard, and the rinks are not always cleared quickly after heavy snow events since roads are the priority. Mr. Peterson read a letter from Jeremy Coe, President of the Hockey Association, detailing his support for the construction of the multipurpose fieldhouse that would benefit hockey players, local restaurants and businesses, all user groups, and families. In addition, Mr. Coe cited the benefit of improved property values and keeping Andover attractive to home buyers. Mr. Coe felt the City had outgrown the current facility and supported moving forward.

Mayor Trude stated Tony Peterson is involved with the construction field and may have insights

into the best areas of value engineering.

Mayor Trude opened the floor for public comment.

Ms. Katie Wood, 15370 Uplander Street NW, stated they have lived in Andover four years and asked how the first Community Center impacted taxes and if the taxes went down once it was paid off. She also asked how long the taxes would be increased if the expansion is approved. Ms. Wood stated the proposal had access from Nightingale Street and asked if that is still the case.

City Administrator Dickinson stated if an abatement bond is used, it would be a 20-year term. The existing facility was originally scheduled for final payment in 2034 but through refinancing, it was cut down by three years so the final payment for the existing facility will be February of 2031. He explained the City's debt policy and goal to keep the tax rate flat or only a moderate increase.

Mayor Trude stated this project has been planned for several years in the City's CIP. City Administrator Dickinson stated staff evaluates when long-term debt will fall off and 2016-2019 is when that opportunity presented itself to limit a tax impact increase.

Director of Public Works/City Engineer Berkowitz displayed a site plan and pointed out the locations of multiple access points to the Community Center at Crosstown Boulevard at Tower Drive, Hanson Boulevard, and Nightingale Street at Veterans Memorial Drive.

Mr. Merlyn Prochniak, 2941 141st Avenue NW, complemented the Council and stated he is a 34-year resident, been involved in community youth programs, and was a City employee for 20 years. He stated the Council asks residents for their votes and he is asking the Council to give residents a chance to vote on this project through a bond referendum.

Ms. Mary Kay Storhaug, 2603 140th Lane NW, stated this is the first time she has seen the project presented in this way. She thinks the community should have input on what they would like to have added to Andover parks and how to spend the money. She stated this is a big increase as there still is a 20-year debt remaining on the current facility. Ms. Storhaug stated she has been door knocking and 95% of the homes she visited had no idea of this expansion. When she talked to them, she learned they were not using the facility so a concentrated group is using the facility. She stated she likes the Community Center, uses it, and is a member of the YMCA, but it does not have a gym. She stated if tax dollars are being used, those using the facilities should be paying for it not residents who do not use it or their children are grown and gone or others who may not be involved in sports. Ms. Storhaug suggested that before making decisions behind closed doors, to communicate with everyone. She stated there is an attraction to Andover because of the Community Center but a bigger attraction would be lower taxes.

Mr. Ben Riechers, 15844 Martin Street NW, asked about a referendum or spending money for a high-quality independent survey to get a sense of where people are at. He stated it would give a

reading whether the whole project should move forward or a subset of the project, noting the City will want an informed survey. Mr. Riechers stated a detailed presentation was made tonight but most have not seen this much information. He stated since this project will drive their taxes, he supports the City conducting a survey to find out if people support it. He asked if it will be entirely debt financed or has a sinking fund been established.

City Administrator Dickinson stated debt would likely be issued for the total construction budget. Mayor Trude stated the City set aside money for the costs of the plans to date, there are excess fund balances, and a contribution of \$1.5 million from the Hockey Association and Park Dedication. City Administrator Dickinson reviewed the bonds and notes that will be coming to a close.

Mr. Riechers asked if there will be different decisions on relocating the maintenance facility. Mayor Trude stated the Public Works project will go out for bid in several months and be built. It was determined several years ago that \$10 million could be issued with no tax impact. Mr. Riechers noted there would have been an impact had the \$10 million not been issued.

Mr. Charles Naughton, 15757 Linnet Street NW, stated he is a 10-year resident and thinks that something overlooked is who this plan benefits and their contribution. He stated the Hockey Association will benefit a lot, is only making a \$500,000 contribution, and the arena only benefits children who are hockey players. He noted the price for ice time is \$952 dollars. Recreational Facilities Manager Sutherland clarified the price for ice time is just over \$200.

Mr. Naughton asked if it would be more advantageous to shop selling ice to other associations and if the City could get it at a better price. He stated one program mentioned was an adult league and asked what revenue that would generate. He stated with tournament play and two sheets of ice it may make sense but two outdoor sheets can't be used. He stated he is aware that Coon Rapids has a refrigeration system under an outdoor rink, which may make use more feasible and cost effective. Mr. Naughton noted the cost to upgrade refrigeration in the current arena is \$1 million, the proposed multipurpose arena is \$11.2 million, and there may be a \$500,000 savings if the refrigeration upgrade is done during the project so that makes some sense if proposed together, but he does not know about the other sheet of ice. He mentioned other recreational facilities and associations that may be options. Mr. Naughton stated the Council is proposing to add these costs to Andover residents but the facility is benefiting less than 25% of the population, which needs to be looked into. He believed these facilities are specific use even if called 'multipurpose,' noting the ice rink only benefits the Hockey Association. Mr. Naughton stated the additional multipurpose areas next to fieldhouse benefit pickleball users at a \$2 million cost. He believed that \$11 million is a huge amount and asked where is a \$250,000 home in Andover, thinking a median valued home is more like a \$350,000 to \$400,000. Mr. Naughton stated he does not think those tax numbers are accurate and that a project costing \$18.9 million plus \$2 million in upgrades, or \$20 million, is a big amount to benefit 20% of the taxpayers.

Mr. Tony Peterson, CCAC and Vice President of the Hockey Association, stated the Hockey Association pays \$215 for ice time at the Andover Community Center and pays \$210 at the

Super Rink. He reviewed the number of ice hours they purchase and stated they are at capacity with their programming. With regard to the contribution, Mr. Peterson noted the Association's major financing is from pull tabs and there is a mandatory 10% that has to go into the City. He stated they have more money coming from revenues to taxes than the Association uses themselves. Mr. Peterson stated \$500,000 is a lot of money from a volunteer Association and in addition, they pay a full hourly rate for ice. He noted turf sports currently pay nothing to use the City's facilities and it gets down to what is fair.

Mr. Jim Stiller, 15250 Verdin Street, Realtor with Keller Williams Classic and Sharper Homes, stated in his industry, they sell new and existing homes and while one out of ten buyers ask about taxes, nine out of ten ask about amenities. Mr. Stiller stated the \$250,000 median valued home would pay an additional \$9.50 a month. With a \$400,000 valued home, it is \$16 a month and even if only 20% of the population uses it, 100% will reap benefits from a stronger resale price.

City Administrator Dickinson stated there are \$250,000 valued homes in Andover. The average market value is \$260,000 to \$270,000 so that is why staff picked a \$250,000 tax value home for the example. Councilmember Holthus stated according to a website, the median Andover house is \$293,100, which is more than her house is worth.

Ms. Mary Kay Storhaug, 2603 140th Lane NW, stated the road extension and moving the Public Works facility impacts tax payer dollars and a current outdoor hockey rink that was put in two years ago will have to be removed. She asked when making more places to play and practice, the Hockey Association had raised a lot of the money to build the current outdoor rink and two years later, the City Council's plan will demolish that rink.

Mr. Tony Howard, 1944 134th Avenue NW, stated he is a 35-year resident, had been involved in the original Community Center, and it is with great pride he drives by it every day as it is a huge asset to Andover and why people move here. He stated the tax ramifications were considered long and hard 15 years ago, it was a big leap, and he would do it again. Mr. Howard stated he hopes the City and Council embrace the Community Center expansion. He stated he has no kids that use it but has great pride in the community and thinks this is a stepping stone. He stated he helped to start the Hockey Association but this is much more than an expansion just for the Hockey Association. He noted families have to drive to the Super Rink to skate now. Mr. Howard stated he likes the after-school programming to keep kids off the streets. He finds this is a second generation for the Community Center and has no problem paying \$10 a month for it to happen. He stated this expansion will be an asset for the community and in 10 years it will be a \$100 million asset for the City, which not many cities can claim. Mr. Howard stated he worked on the outdoor rink and that was about eight years ago.

Mayor Trude thanked Mr. Howard for his generous spirit and contribution to Andover.

Director of Public Works/City Engineer Berkowitz stated it was known that the outdoor rinks were to be temporary and with a small portion of Public Works moving, the rinks will stay for the foreseeable future. He explained the life of the hockey boards and lights is about 20 years

and then they have to be replaced. He stated the vehicle maintenance portion of Public Works will move, not the entire facility.

Mr. Jamie Barthel, 16535 Wintergreen Street NW, stated one issue with the Community Center is confusing information including the cost and lifespan of the outdoor rink. He stated he supports the Community Center but thinks the cost is high and would like it lower. Mr. Barthel agreed the expansion is not just for hockey, noting his son plays lacrosse and there were no fields available this past spring and his other son plays football but hasn't been able to practice for several nights with the rain. He described how every business around the Community Center benefits.

RECESS AND RECONVENE

Mayor Trude recessed the meeting at 10:11 p.m. The meeting was reconvened at 10:22 p.m.

d. Project Discussion/Direction

Mayor Trude commented on the City's attempt to get the word out about this project and encouraged those with questions to call City staff so they get accurate information.

Mayor Trude moved, Second by Councilmember Holthus, to move forward with design documents to prepare for bid and direct staff to find value engineering, including aesthetics, squeezing multipurpose spaces, and the items listed in the City Administrator's report, to reduce the tax impact to \$100 per year or less for a \$250,000 valued home.

Councilmember Goodrich thanked everyone for attending tonight's meeting, for the design work, user group meetings, and all who contributed. He stated his position has not changed as the City's existing debt will not fall off until 2031, and repairs on the current facility if all done will cost \$2.8 million. He noted upkeep is due on the current facility and will also come due on a new facility. Councilmember Goodrich stated the Public Works facility project benefits everyone in the community and nothing should be taken from it. He noted 34,000 people will be asked to pay for a Community Center expansion but for his preference, too small of a 'piece of the pie' will use it. Councilmember Goodrich stated he got involved because of growing government and redistribution of wealth and while this project is awesome and there has been validation of the needs of the program as being legitimate, he cannot take money from 34,000 people and have 25-30,000 people never use it. He noted there have been a lot of arguments on how it will benefit the community but Andover already has the original facility. He asked if this is a core function of government, like roads, sewer, fire, law enforcement, and stated in his mind, it is not. With direction going forward, Councilmember Goodrich stated he would be okay with Multipurpose Area #2 and east side parking as there is a parking need and would not result in a tax levy hike. But due to his philosophical leanings, he cannot see the benefit to the larger community with the rest of the proposed expansion.

Councilmember Holthus stated this action would go to the next level to research costs in detail.

City Administrator Dickinson stated the motion as he interprets it is to prepare construction documents to go out to bid for the whole facility and value engineer down to a \$100 annual tax impact or less on a \$250,000 home. This would require a reduction in the project budget from the estimated \$18.9 million shown tonight to a \$16.8 million budget.

Councilmember Knight agreed this is much more than just hockey and in the last week, he has received a number of telephone calls about pickleball from seniors who want that facility provided. He stated he would like to pursue the whole picture down the line at an annual tax impact of \$100 per household or lower.

Councilmember Bukkila stated she was not prepared to summarize the last two years of work in one night but agrees with Councilmember Goodrich's comments. She has served for the last ten years on the Council, starting in a recession at a minus budget and trying to do minimal and gradual increases to meet basic City needs and provide essential infrastructure. Councilmember Bukkila stated the City is still not there and working at a deficit without a long-term street program, a fair road assessment program, or addressing water rates. She stated she thinks about the impact of tax increases on people who have already had a \$7,000 street assessment. She noted this project implies a 10% tax increase for an amenity and while she supports park amenities and increasing those budgets in increments, the City has not looked into the future and become stable enough in economics to consider this kind of project. Councilmember Bukkila agreed the Community Center is an asset to the community but it will add debt and while \$100 may seem small, it does not consider the existing contribution everyone is making with the last numbers seen in June. She stated there is now a \$1.5 million contribution, but almost 20-25% of the City's tax dollars will go to support the Community Center, not including capital improvements like the refrigeration improvements.

Councilmember Bukkila referenced the schedule for programing, how the multipurpose arena is used, the amount of ice time and turf time, noting the calendar prepared by staff came down to a use of 4 hours a weekday and 'x' amount on the weekends, or 40 hours out of a week for a multi-million-dollar ice arena. In addition, there were still five months that were completely not scheduled for, which means it would take time to sell those hours. Councilmember Bukkila noted originally the project was for Multipurpose Areas #1 and #2 and she still favors that at \$2.7 million with the necessary capital improvements, over \$5 million to meet basic needs. She stated the multipurpose areas meet the needs for the nonathletic community and shortfalls in the original building.

Councilmember Bukkila stated she has seen cities fail with a second sheet of ice and she does not want to put Andover in that scenario. She stated the market is good and there is money to spend but eventually, there will be another recession and the first thing to cut back on is roads and parks and maintenance but not the Community Center because it will have to be built for the expansion. She stated she knows there is a lot of enthusiasm right now but she does not think this is the right time for an expansion and the community is not fully aware of the expansion or associated costs even though it has been included in the City's newsletter and on QCTV. Councilmember Bukkila stated she favors the smaller projects and while all five on the Council

don't agree on much of anything, she realizes she is in the minority so three on the Council will make this decision for folks tonight.

Mayor Trude stated she is concerned about the City's financial position, has been on the Council since 2000, and been cautious and responsible in financial planning. In addition, detailed documents were prepared to come up with the project numbers down to the cents. Mayor Trude stated with the original Community Center, the City had planned in 2002, 2003, and 2004, people showed up to do the hard work, and convinced five people on the Council to move forward. She recalled that Councilmember Jacobson at that time was told by a resident that the Council had enticed families to build in Andover, had approved plat after plat to keep taxes low, and now those residents wanted something in return and asked Councilmember Jacobson what he was going to do about it. Mayor Trude stated that question convinced Councilmember Jacobson to take action. She stated the City no longer has all the building department revenues to pay for activities so excess fees are only considered for one-time special projects, like a trail.

Mayor Trude stated Andover currently has a very basic City Hall building and City staff has been very efficient compared to neighboring communities. Because of that, the City can do something for the kids and keeping them healthy. Mayor Trude stated she does not spend much time at the Community Center but other mayors have said to her that they wished their communities were more like Andover. She stated when she door knocks, she finds that residents' kids do everything and have a garage full of gear. Mayor Trude stated she also supports doing something for adults with a Community Center expansion, noting it is a vibrant and busy place busting at the seams.

Councilmember Knight stated the combination with the YMCA and City has been copied around the country as it is a good working relationship. He stated it is working so well he does not want to disturb it.

Mayor Trude stated once bids come back, there will be better numbers for the Council to consider at a future meeting.

City Administrator Dickinson stated staff will be working on value engineering before the project goes out for bids. He stated he will also request input from RJM on the time schedule and best time for this project to hit the market.

Motion carried 3 ayes (Holthus, Knight, Trude), 2 nays (Bukkila and Goodrich).

OTHER TOPICS

None.

ADJOURNMENT

Motion by Bukkila, Seconded by Holthus, to adjourn. Motion carried unanimously. The meeting

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adjourned at 10:48 p.m.

Respectfully submitted,

Carla Wirth, Recording Secretary