



Legislation Text

File #: 17-729, **Version:** 1

City Council Meeting Date: March 21, 2017

To: Mayor and City Council
City Administrator

From: David E. Bennett, Public Works Director/City Engineer

Ice Arena Market Study Presentation

Action Requested:

The Northfield City Council is requested to review and discuss the Ice Arena Market Study.

Summary Report:

At the January 3, 2017 City Council meeting the City Council established the Northfield Ice Arena Advisory Board, which will carry forward work that began with the Mayor's Ad Hoc Committee in August of 2016. The mission of the Board is as follows:

“Serve as an advisory board to assist and guide staff in a thorough review of current ice arena conditions, assess needs and demands, evaluate costs and alternative facility options resulting in recommendations to be presented to the City Council.”

The City engaged the consulting firm of ATS&R to complete the first part of the mission to complete a facility condition assessment. The findings of the facility condition assessment were shared with Council on January 3, 2017. Essentially, there will need to be an investment in the facility of around \$1,000,000 over the next ten years.

With the existing Ice Arena condition assessment complete, the next step is to “*assess needs and demands, evaluate costs and alternative facility options resulting in recommendations to be presented to the City Council*”. The City engaged the consulting firm Ballard*King to assist with this process. Although this process is still underway, Jeff King with Ballard*King will be at the meeting to present the findings of the Ice Market and Demands.

The Ice Market and Demands is a process where ice market needs are reviewed. This will inform the City if there is a need for two rinks (St. Olaf and a Community Rink) or three rinks (St. Olaf and two Community Rinks). In this process, characteristics and demographics of the Ice Market area are reviewed. This includes reviewing national trends vs local trends in the Ice Market, meeting with Ice Arena user groups, and discussions with adjacent community ice operators.

The study indicates that there is an 11% growth in the Northfield Hockey Association, primarily the girls program and under 6 age group. In addition, the Northfield Skate School, which is run through Community Education, has seen tremendous growth with the Learn to Skate USA modeled program. However, even with

the current and projected growth there is only a need for two ice arenas; one at St. Olaf and one community rink. A third sheet of ice in Northfield would have an occupancy rate of less than 25% based on the information gathered and therefore isn't financially feasible.

Understanding the Ice Market, the next step in the analysis, which has not been completed yet, is to perform an operation analysis on the scenarios below:

1. Upgrade the existing Northfield Ice Arena with St. Olaf building an ice arena on campus. This option assumes that the existing ice arena can be renovated and expanded on the current site. This option should include an analysis of what new revenue can be generated through the improvements to the Northfield Ice Arena to enable a cost/benefit comparison.
2. Analysis of a new location owned and operated by the City. This option would provide estimated development costs, operational costs, and revenue generation.
3. Partner with St. Olaf to connect a second sheet of ice to their proposed campus ice arena. This option assumes the City of Northfield will discontinue ice use at the existing arena. This option should explore potential funding scenarios along with associated debt service if public financing is required to enable a cost/benefit comparison.

Alternative Options:

N/A

Financial Impacts:

N/A

Tentative Timelines:

May-June 2017 - Operation analysis phase will be completed.