

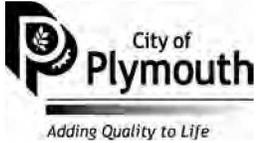
**CITY OF PLYMOUTH  
AGENDA  
SPECIAL COUNCIL MEETING  
FEBRUARY 12, 2013, 5:30 p.m.  
MEDICINE LAKE CONFERENCE ROOM**

**1. CALL TO ORDER**

**2. TOPICS**

- A. Discuss Park Replacement Funds
- B. Set Future Study Sessions

**3. ADJOURN**



**SPECIAL  
COUNCIL MEETING**

**To:** Laurie Ahrens, City Manager

**Prepared by:** Dave Callister, Administrative Services Director

**February 12, 2013**

**Item: Discuss Park Replacement Funds**

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**1. ACTION REQUESTED:**

Discuss park replacement funds.

**2. BACKGROUND:**

On August 21, 2012, staff presented to Council the attached Park Replacement Plan report. The report updated an earlier report prepared in 2009. The report outlines park replacement projects in the next 40 years, detailing each project's cost, scheduled date for completion and identifies funding sources in order to determine whether or not the projects can be funded as scheduled or if adjustments are needed to delay or eliminate projects or increase funding sources.

The Council increased the Park Replacement levy for 2013 from \$130,000 to \$330,000 annually. This action will fund identified replacement projects through 2020.

The Park Replacement Plan has not historically included capital improvements for either the Plymouth Ice Center (PIC) or the Plymouth Creek Center (PCC). Staff has created a capital improvement plan for the Plymouth Ice Center's and analyzed the operation's cash flow needs for the next 20 years in the attached report. Staff will be preparing a similar report for the Plymouth Creek Center in the coming year.

One concept that has been identified as a potential revenue stream to assist with the PIC's operations, is to construct a dry land training facility on the east side of the PIC that would be leased out to a private party who would operate the facility. Please see the attached report outlining the concept.

**3. SUMMARY:**

Staff is looking for Council discussion and direction regarding all park replacement funds.

**4. ATTACHMENTS:**

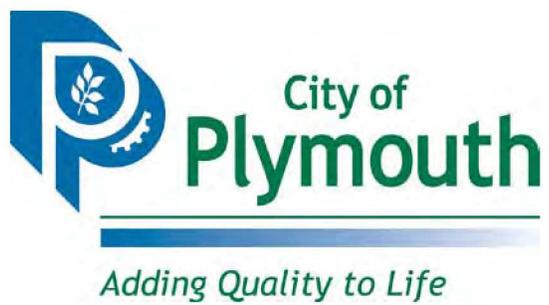
Park Replacement Plan  
Plymouth Ice Center Fund  
Plymouth Ice Center Dry Land Training Facility Concept

Park Replacement Plan

City of Plymouth, MN

**Updated August 2012**

(Original Study June 2009)



# I. INTRODUCTION

In June of 2009, the City of Plymouth partnered with Ehlers to undertake a review of the City's Park Replacement Plan. The primary objective was to review options and make recommendations as to funding scenarios to ensure the program's long-term financial viability.

Since 2009, many things have changed and the need was apparent to update the original plan to track changes in costs and timelines associated with park replacement projects and to identify potential funding sources that may be available. The following report is an update to the original 2009 plan.

# II. BACKGROUND

The City of Plymouth has a long-term capital replacement schedule for parks. Unlike most cities which focus on the next five to ten years, Plymouth's plan extends through the next forty years.

The Park Replacement Fund is strictly a capital project fund. It finances the replacement of existing capital assets and does not include expenditures related to the operation or maintenance of the parks. Further, this fund does not include capital asset expenditures related to future parks. Park dedication fees obtained from new development are kept separate in the Park Construction Fund (Fund 408) and are used for new parks and park facilities.

Over the next 40 years, capital expenditures related to the replacement of existing park assets are estimated to total \$59.4 million.

Under the current funding scenario, revenues are not sufficient to cover the expected expenditures, and the Park Replacement Fund's cash balance would be depleted by 2020.

We have provided several alternatives to address the financing gap created by the updated Park Replacement Plan.

- **Option 1:** Includes the current levy amount of \$130,000 increased at three percent annually. Using the existing Park Replacement Plan, the Fund would have a negative cash balance in 2020 and an \$11.2 million funding gap by 2031.
- **Option 2:** Includes current Park Replacement Levy of \$130,000 plus approximately one half of the expiring debt levy for the Activity Center/Field House bonds of \$200,000. The total annual levy for Park Replacement Fund would be \$330,000 beginning in 2013 with three percent annual inflationary increases thereafter. Using the existing Park Replacement Plan, the cash balance would go negative in 2020 and the funding gap would be \$6 million by 2031. **This option was adopted by the City Council as a part of the 2013 budget.**

- **Option 3:** Includes the current Park Replacement Levy of \$130,000 plus an additional \$400,000 from the expiring debt levy for the Activity Center/Field House bonds. The total annual Park Replacement Levy under this scenario would be \$530,000 beginning in 2013. The estimated cash balance under Option 3 stays positive until 2031.

All options include a one-time transfer from the Recreation Fund of \$500,000 in 2012 and annual transfers of \$20,000 from the Recreation Fund, inflated at three percent annually beginning in 2013. The rationale for this transfer is that park facilities are being used by participants of the recreation programs and that a portion of the recreation fees should be set aside for replacement of the facilities. The current year-to-date fund balance in the Recreation Fund is \$661,000.

## Overview of the Park Replacement Fund

Cash: The Park Replacement Fund has a cash balance of \$4,784,674 at the end of 2011. This does not include the loan to the Ice Arena which is shown on the plan as annual revenue (\$154,892) received through 2019. Current principal balance on the loan as of 12/31/2011 is \$991,062.

Expenditures: Staff estimates that the capital expenditures for the next 40 years would total \$59.4 compared to \$96.8 million projected in the 2009 Study.

Revenue: The Park Replacement Fund has several main sources of income including:

- Annual Levy
- Interest Earnings (estimated at two percent)

Other revenue options include:

- Issuance of Bonded Debt (referendum required)
- One time or annual transfers in from other city funds

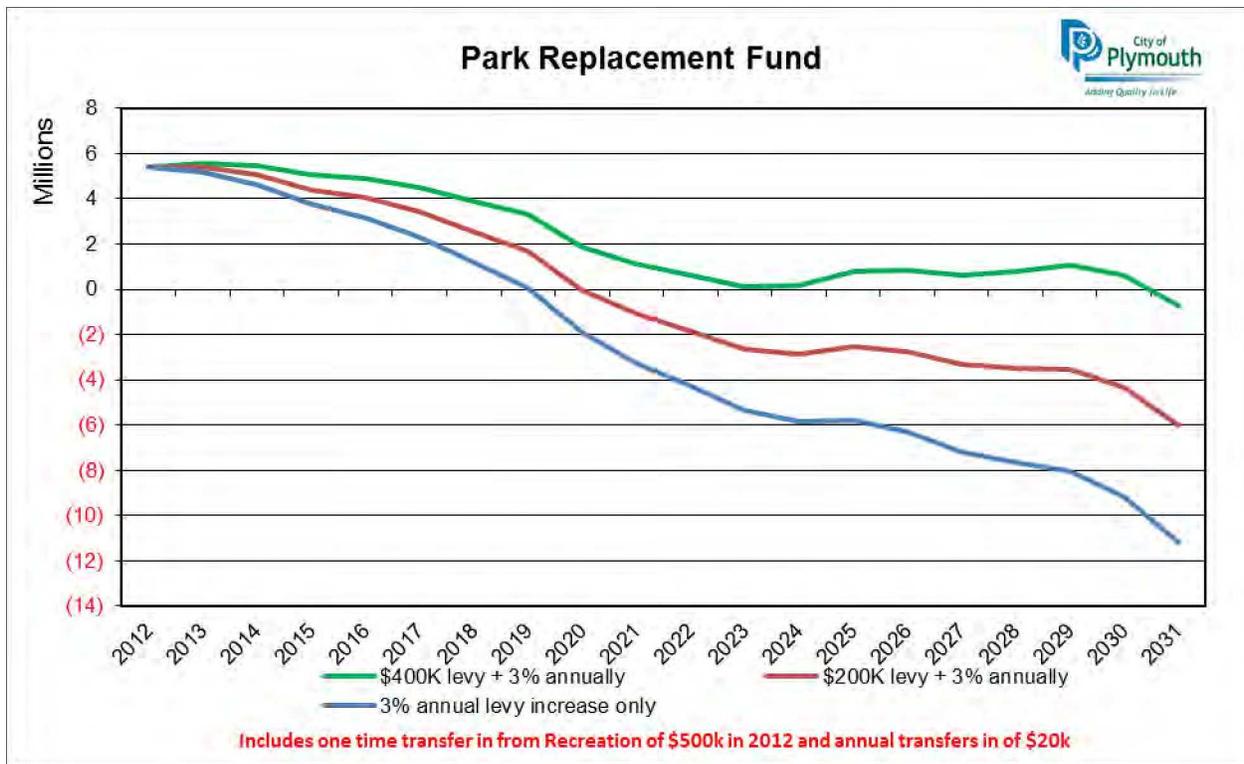
None of the three options currently includes the issuance of bonded debt which would require a voter referendum. If Options 1 or 2 are followed, capital expenses will need to be reduced or delayed or other sources will need to be considered to close the funding gap.

## Current Funding Projections

Cash projections were formulated based on the following assumptions that apply to all options:

1. Beginning cash balance of \$4,784,674.
2. \$59.4 million in future projects through 2052.
3. One-time transfer from the Recreation Fund of \$500,000 in 2012.
4. Beginning in 2013 annual transfers of \$20,000 from the Recreation Fund, inflated at three percent annually.
5. The projected expenditures are based on the City's existing Park Replacement schedule which excludes:
  - a. Plymouth Ice Center
  - b. Plymouth Creek Center and Fieldhouse
6. The analysis reviews the replacement schedule for capital assets only. It does not reflect operating costs or new parks or facilities.
7. All project costs utilize 2012 numbers and are inflated at three percent annually.

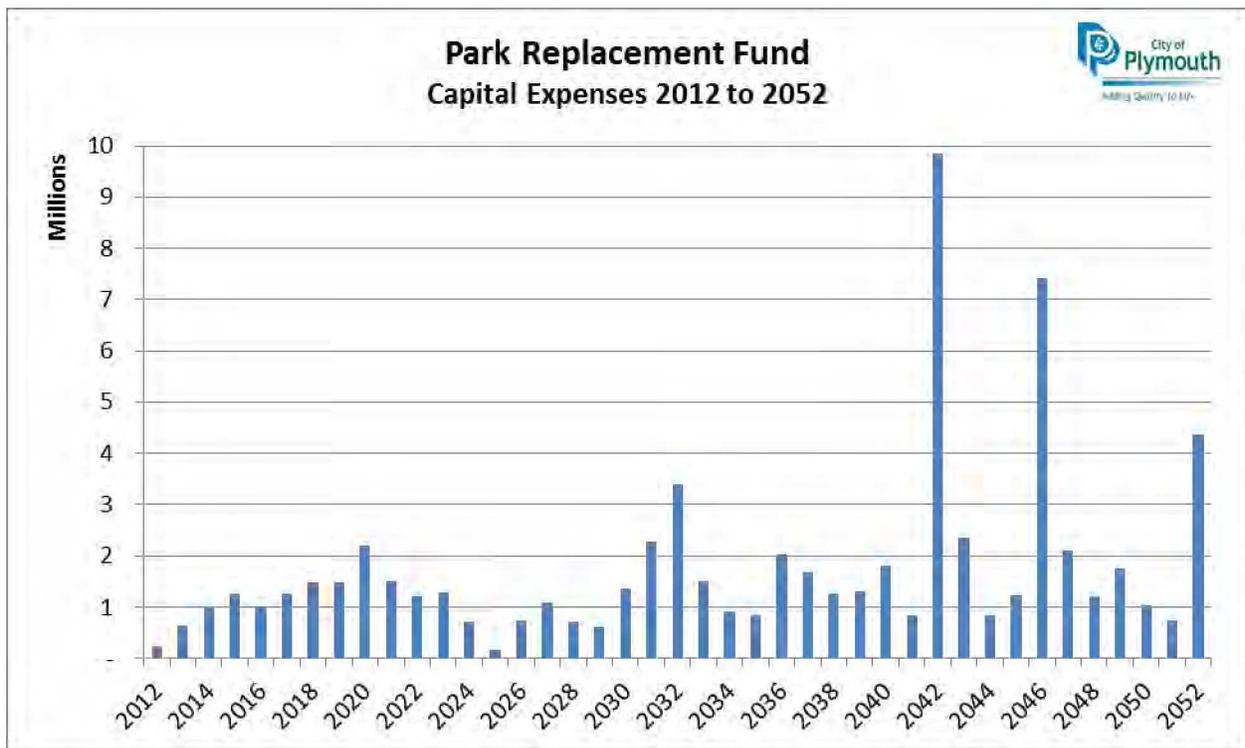
Based on these assumptions, the cash balances of all three options from 2012 to 2031 are outlined on the graph below.



The total cost of park replacement projects from 2012 through 2052 is \$64,454,705. As with any capital plan the project costs vary from year to year and as such there needs to be adequate cash flow to fund these projects. The total capital expenses are listed and categorized below.

### Park Replacement Fund Capital Expenses (2012-2052)

<b>Athletic Field Lights</b>	<b>10,148,048</b>
<b>Bleachers</b>	<b>291,458</b>
<b>Fencing</b>	<b>2,421,070</b>
<b>Irrigation</b>	<b>4,381,630</b>
<b>Tennis Courts</b>	<b>2,528,763</b>
<b>Parking Lot Lighting</b>	<b>747,205</b>
<b>Asphalt Pavement</b>	<b>8,675,569</b>
<b>Park Name Signs</b>	<b>160,785</b>
<b>Park Shelter Buildings</b>	<b>9,288,144</b>
<b>Skating Rinks</b>	<b>3,637,955</b>
<b>Playgrounds</b>	<b>17,700,322</b>
<b>Picnic Shelters</b>	<b>2,005,436</b>
<b>Bridges/Boardwalks/Docks</b>	<b>2,226,696</b>
<b>Miscellaneous</b>	<b>241,625</b>
<b>Total</b>	<b>64,454,705</b>



# III. FUNDING SCENARIOS

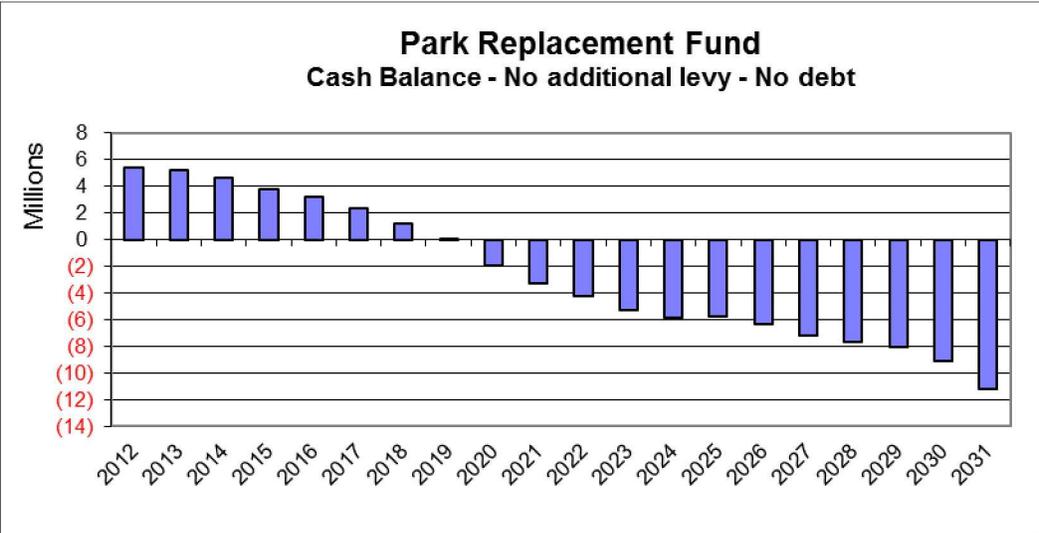
## OPTION 1: Minimal Changes to Current Funding Strategy

- Beginning cash balance of \$4.8 million.
- Assumes \$130,000 annual levy inflated by three percent annually.
- Includes one time transfer of \$500,000 from Recreation Fund.
- Includes new transfer of \$20,000 from Recreation Fund in 2012 and inflated at three percent annually.

Under this scenario, the cash reserve goes negative by 2020, with a projected funding gap of \$11.2 million in 2031.

**Pros:** No additional upfront cash contributions  
 Minimal future levy impacts  
 Recreation Fund assists in capital replacements

**Cons:** Not a viable long-term solution given current capital needs



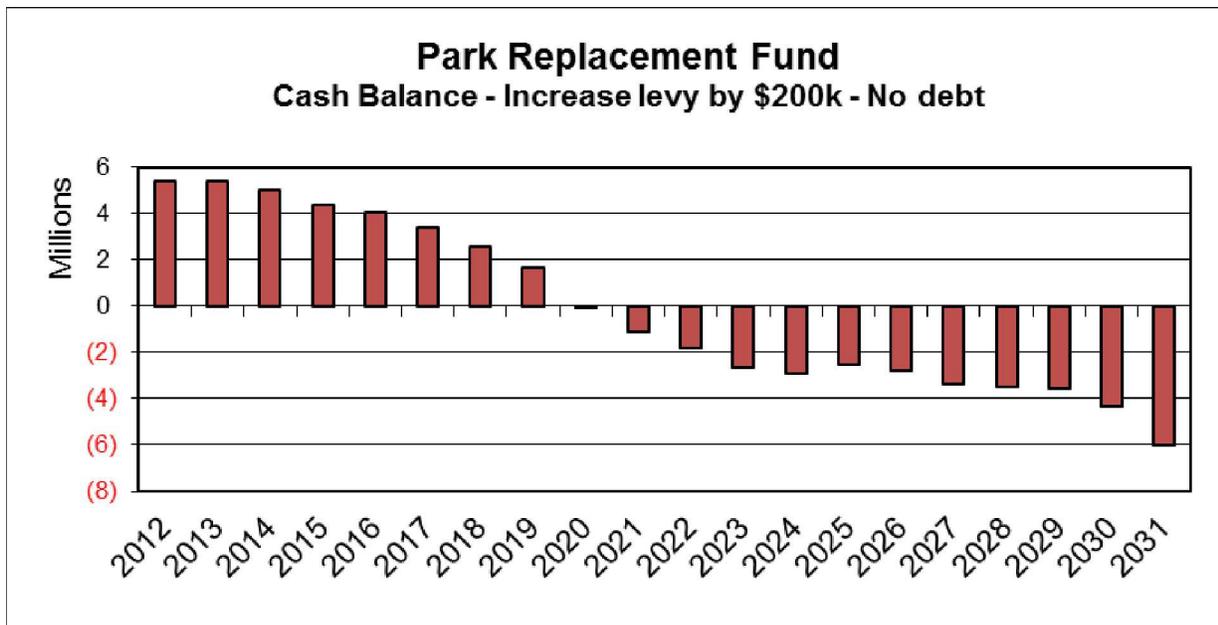
## OPTION 2: Redirect \$200,000 to Park Replacement Levy

- Assumes an additional \$200,000 to the park replacement levy to replace half of the maturing debt service levy for a total levy of \$330,000 in 2013.
- Includes one time transfer of \$500,000 from Recreation Fund in 2012.
- Includes a new transfer from Recreation Fund of \$20,000 per year inflated at three percent annually.

Under this scenario, the cash balance is negative in 2020 with a funding gap of \$6 million in 2031.

**Pros:** No additional upfront cash contribution  
New capital levy represents approximately 50% of maturing debt levy

**Cons:** Should be viable in the short term but not a long-term solution to meet capital needs without reducing projects, increasing levies, issuing debt or finding other one time sources of money.



### OPTION 3:

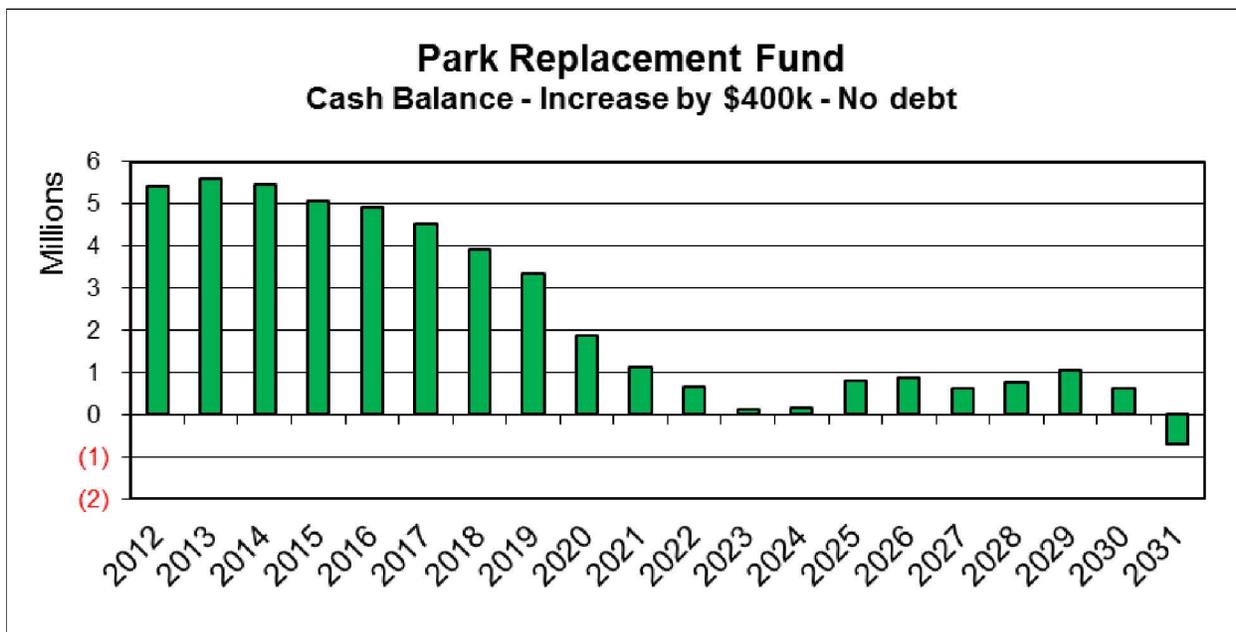
#### Redirect \$400,000 to Park Replacement Levy

- Assumes an additional \$400,000 to the park replacement levy to replace the maturing debt levy for a total park replacement levy of \$530,000.
- Includes one time transfer of \$500,000 from Recreation Fund in 2012.
- Includes a new transfer from Recreation Fund of \$20,000 per year inflated at three percent annually.

Under this scenario, the cash balance decreases but does not go negative until 2031. This option allows for full funding of capital plan for 20 years.

**Pros:** Capital Plans for the next 20 years can be financed without issuing debt  
No additional upfront cash contribution required  
Future residents pay more of the future replacements/improvements

**Cons:** Fully funded Plan requires significant resources over the next 40 years  
Heavily reliant on property tax levies to fund capital improvements  
Competing demands for future levies  
Current residents pay for costs of future improvements



## IV. SUMMARY

- The City has practical long-term visioning and planning. The Park Replacement Plan extends 40 years, well beyond comparable cities.
- The variables impacting financial forecasts are dependent on assumptions outside of the City's control and subject to greater swings. Ten- to twenty-year pro-formas are typical. This analysis uses a **twenty year pro-forma**, which is the long end of the range.
- The average annual capital expenditure from 2012 to 2031 is \$3.4 million. We **recommend a target cash balance of \$1 million** to be achieved and maintained through 2031. This amount provides a degree of investment return and, importantly, a cushion for unexpected capital demands.
- While current **low interest rates** reduce the benefit of investment returns in the near term, borrowing costs benefit with lower debt service payments should the need arise to issue future debt.

## V. CONCLUSIONS

- **Option 1** - The current funding strategy is not a viable long-term option, as cash is depleted by 2020 even with the one-time transfer of \$500,000 and the annual transfers of \$20,000 from the Recreation Fund.
- **Option 2** is a step in the right direction providing additional funding to meet the capital needs. The policy concern is that by 2020 there will be major decisions to be made that could include levy increases, debt issuance, the elimination or delay of capital projects or additional one-time cash infusions. Since there is adequate time between now and 2020, this should be used to review this fund, its cash balances and capital projects on a semi-annual basis so that additional steps can be taken now to minimize any future impacts. **This is the adopted Option.**
- **Option 3** The City would retain more control over revenues and be able to provide for gradual revenue increases, rather than erratic adjustments. Option 3 allows the current capital plan to maintain a positive cash balance until 2030.

### The remaining policy issues for the City to consider:

- Generational Equity. Should future assets be paid by current or future users?
- Establish Cash Balance Targets.
- Competing levy and long-term needs (beyond the current five year levy needs)
- Ongoing transfers from the Recreation Fund
- Use of debt to minimize year to year variations
- Transfer of cash from other funds

1 City of Plymouth  
 2 Parks Replacement CIP

3  
 4

5 ATHLETIC FIELD LIGHTS		
6 Musco Loan Repayment (10 yr)	2012	240,000
7 Musco Loan Repayment (10 yr)	2013	240,000
8 Musco Loan Repayment (10 yr)	2014	240,000
9 Musco Loan Repayment (10 yr)	2015	240,000
10 Musco Loan Repayment (10 yr)	2016	240,000
11 Musco Loan Repayment (10 yr)	2017	240,000
12 Musco Loan Repayment (10 yr)	2018	240,000
13 Musco Loan Repayment (10 yr)	2019	240,000
14 Musco Loan Repayment (10 yr)	2020	240,000
15 Musco Loan Repayment (10 yr)	2021	240,000
16 Lacompte Playfield	2027	50,000
17 Zachary Playfield	2042	600,000
18 Plymouth Creek Playfield	2042	475,000
19 Oakwood Playfield	2042	475,000
20 Plymouth Playfield	2042	530,000
21 Ridgemount Playfield	2042	115,000
22 Bass Lake Playfield	2042	320,000
23 Parkers Lake Playfield	2042	285,000
24 Elm Creek Playfield	2042	360,000
25 BLEACHERS - 20 year life		
26 Elm Creek Playfield	2020	48,000
27 Bass Lake Playfield	2021	15,000
28 Oakwood Playfield	2021	15,000
29 Parkers Lake Playfield	2022	18,000
30 Plymouth Creek	2022	9,000
31 Plymouth Playfield	2022	9,000
32 Zachary Playfield	2022	24,000
33 Greenwood Playfield	2024	18,000
34 Skate Park (relocated)	2024	3,000
35 Zachary Playfield	2026	2,000
36 Elm Creek Playfield	2040	6,000
37 Bass Lake Playfield	2041	3,000
38 Oakwood Playfield	2041	3,000
39 Parkers Lake Playfield	2042	3,000
40 Plymouth Creek	2042	3,000
41 Plymouth Playfield	2042	3,000
42 Zachary Playfield	2042	3,000
43 Greenwood Playfield	2044	3,000
44 Skate Park	2044	3,000
45 Zachary Playfield	2046	2,000
46 Fencing		
47 Lions	2016	10,000
48 Lions	2016	6,000
49 Queensland	2016	2,500
50 LaCompte	2016	8,125
51 Mission Hills	2016	6,000
52 Oakwood	2016	13,750
53 Plymouth Playfield	2017	17,000
54 Plymouth Playfield	2017	16,800
55 Ridgemount	2017	5,200
56 Zachary	2017	93,000
57 Zachary	2017	5,000
58 Parkers Lake Tennis	2018	26,000
59 Plymouth Creek Playfield	2018	70,000
60 Shiloh	2020	2,000
61 Sunrise	2020	2,000
62 Swan Lake	2025	2,000
63 Bass Lake Fencing	2027	37,500
64 Bass Lake Fencing	2027	33,800
65 Bass Lake Fencing	2027	6,500
66 Parkers Lake Playfield	2027	100,000
67 Parkers Lake Playfield	2027	6,200
68 Heather Ponds	2029	2,500
69 Zachary Tennis	2029	30,000
70 Oakwood Tennis	2029	28,000
71 Gateway	2030	1,400
72 South Shore	2030	2,000
73 Timbershores	2030	3,000
74 Ridgemount	2030	24,000
75 LaCompte	2031	12,000
76 Oakwood Baseball	2031	8,000
77 Oakwood Softball	2031	12,000
78 Plymouth Tennis	2031	26,000
79 Zachary Baseball	2032	8,000
80 Plymouth Creek Playfield	2033	12,500

81	Plymouth Creek Playfield	2033	12,000
82	Elm Creek	2033	122,500
83	Skate Park	2036	6,000
84	Greenwood	2037	77,500
85	Southwood Green	2038	6,800
86	Oakwood	2039	5,000
87	Zachary (new)	2041	59,950
88	Bass Lake Baseball	2042	12,000
89	Bass Lake Softball	2042	8,000
90	Parkers Lake Baseball	2042	25,000
91	Parkers Lake Softball	2042	6,000
92	Elm Creek	2043	10,600
93	Elm Creek	2048	24,000
94	Fencing - Life #2 (multiple years)		
95	Zachary Tennis	2032	28,000
96	Parkers Lake Tennis	2042	26,000
97	Lions	2048	10,000
98	Lions	2048	6,000
99	Queensland	2050	2,500
100	LaCompte	2051	8,125
101	Mission Hills	2051	6,000
102	Oakwood	2051	13,750
103	Plymouth Playfield	2052	18,000
104	Plymouth Playfield	2052	17,500
105	Ridgemount	2052	5,000
106	Zachary	2052	90,000
107	Zachary	2052	5,000
108	Irrigation		
109	Lifetime Fitness/Ice Center	2015	140,000
110	Parkers Lake Park	2018	15,000
111	Parkers Lake Playfield	2019	155,000
112	Bass Lake Playfield	2020	130,000
113	Elm Creek Playfield	2023	180,000
114	Plymouth Creek Center	2024	100,000
115	Plymouth Creek Playfield	2030	155,000
116	Ridgemount	2031	155,000
117	Greenwood Playfield	2033	105,000
118	Southwood Green	2033	27,000
119	Oakwood	2034	165,000
120	Plymouth Playfield	2035	130,000
121	Zachary Playfield	2037	200,000
122	Lacompte Playfield	2037	62,500
123	Irrigation - multiple lifespans		
124	Plymouth Creek Playfield	2040	105,000
125	Ridgemount	2043	110,000
126	Parkers Lake Playfield	2044	105,000
127	Bass Lake Playfield	2045	110,000
128	Parkers Lake Park	2048	10,000
129	Elm Creek Playfield	2049	152,000
130	Tennis Courts		
131	Bass Lake Playfield	2014	190,000
132	Parkers Lake Playfield	2016	190,000
133	Ridgemount Playfield	2020	190,000
134	Oakwood Playfield	2028	190,000
135	Zachary Playfield	2032	190,000
136	Plymouth Playfield	2032	190,000
137	Tennis Courts		
138	Zachary Playfield	2039	182,000
139	Bass Lake Playfield	2041	182,000
140	Parkers Lake Playfield	2045	18,200
141	Oakwood Playfield	2053	182,000
142	Parking Lot Lighting		
143	Parkers Lake Playfield (Ornamental)	2013	125,000
144	Transition to LED Shoebox Lights	2015	25,000
145	LaCompte Playfield (Shoebox)	2023	15,000
146	Ridgemount Playfield (Shoebox)	2023	15,000
147	Zachary Playfield (Shoebox)	2023	25,000
148	Plymouth Playfield (Shoebox)	2023	25,000
149	Plymouth Creek Playfield (Shoebox)	2023	35,000
150	Parkers Lake Playfield (Shoebox)	2024	40,000
151	Bass lake Playfield (Shoebox)	2032	55,000
152	Parkers Lake Park (Ornamental)	2038	70,000
153	Parking Lot Lighting		
154	Parkers lake Playfield	2032	69,000
155	Ashphalt Pavement		
156	Trails (21,120 Linear Feet/4 m Yly repair/overlay to handle 136 mi. trail	2014	190,000
157	Trails (21,120 Linear Feet/4 m Yly repair/overlay to handle 136 mi. trail	2015	190,000
158	PIC/LifeTime (shared cost with LifeTime Fitness)	2015	250,000
159	Trails (21,120 Linear Feet/4 m Yly repair/overlay to handle 136 mi. trail	2016	190,000
160	Trails (21,120 Linear Feet/4 m Yly repair/overlay to handle 136 mi. trail	2017	190,000
161	Trails (21,120 Linear Feet/4 m Yly repair/overlay to handle 136 mi. trail	2018	190,000

162	East Beach (Lot)	2018	150,788
163	Lions Park (Lot)	2018	24,415
164	Trails (21,120 Linear Feet/4 m Yly repair/overlay to handle 136 mi. trail	2019	190,000
165	Zachary Playfield (Lot)	2019	381,774
166	Trails (21,120 Linear Feet/4 m Yly repair/overlay to handle 136 mi. trail	2020	190,000
167	Plymouth Creek Playfield (Lot)	2020	392,308
168	Trails (21,120 Linear Feet/4 m Yly repair/overlay to handle 136 mi. trail	2021	190,000
169	Mission Hills Park (Lot)	2021	15,040
170	Plymouth Playfield (South lot)	2021	83,994
171	Timber Shores Park (Lot)	2021	27,871
172	Trails (21,120 Linear Feet/4 m Yly repair/overlay to handle 136 mi. trail	2022	190,000
173	Lake Camelot Park (Lot)	2022	43,683
174	Trails (21,120 Linear Feet/4 m Yly repair/overlay to handle 136 mi. trail	2023	190,000
175	Trails (21,120 Linear Feet/4 m Yly repair/overlay to handle 136 mi. trail	2024	190,000
176	LaCompte (Lot)	2024	59,710
177	Queensland Park (Lot)	2024	5,811
178	Parkers Lake Park (Lot)	2026	271,163
179	Heritage Park (Lot)	2027	21,570
180	St. Marys Park (Lot)	2028	19,756
181	Bass Lake Playfield (Lot)	2032	342,126
182	Parkers Lake Playfield (Lot)	2032	521,069
183	Heather Ponds Park (Lot)	2034	18,572
184	West Beach (Lot)	2037	228,083
185	Swan Lake Park (Lot)	2038	41,958
186	Nature Canyon Park (Lot)	2042	2,340
187	Ridgemount Playfield (Lot)	2043	206,141
188	Greenwood (Lot)	2046	96,260
189	Legacy Greenway	2046	40,000
190	Plymouth Dog Park (Lot)	2050	152,101
191	Greenwood (Lot)	2046	96,260
192	Park Name Signs		
193	Timber Shores	2023	1,000
194	Heritage	2023	1,000
195	Plymouth Dog Park	2023	1,000
196	Legacy Greenway	2023	1,000
197	Elmhurst Gardens	2023	1,000
198	East Medicine Lake (4 X 6 Custom)	2023	2,000
199	West Medicine Lake (4 X 8 Custom)	2023	4,000
200	Shenandoah Park	2026	1,500
201	Camelot Park	2028	1,000
202	Southwood Green Park	2028	1,500
203	Elm Creek Playfield	2029	2,000
204	Gleanloch Park	2029	1,200
205	Gleanloch Park	2029	1,000
206	Green Oaks Park	2029	1,200
207	Green Oaks Park	2029	1,500
208	Plymouth Creek Playfield	2029	2,000
209	Reserve Park	2029	2,500
210	Turtle lake Park	2029	1,200
211	Turtle lake Park	2029	1,500
212	Zachary Playfield	2029	2,000
213	Zachary Playfield	2029	1,200
214	Bass Lake Playfield	2030	1,200
215	Bass Lake Playfield	2030	2,000
216	Heather Ponds Park	2030	1,000
217	Imperial Hills Park	2030	1,500
218	Kilmer Park	2030	1,000
219	Lions Park	2030	1,000
220	Mission Hills Park	2030	1,000
221	Oakwood Playfield	2030	1,500
222	Plymouth Playfield	2030	1,200
223	Plymouth Playfield	2030	1,200
224	Ridgemount Playfield	2030	1,000
225	Rolling Hills Park	2030	1,000
226	Schmidt Lake Park	2030	1,000
227	Shiloh Park	2030	1,500
228	South Shore Park	2030	1,000
229	Sunrise Park	2030	1,000
230	Greewood Playfield	2030	2,500
231	LaCompte Playfield	2031	1,200
232	Circle Park	2031	1,000
233	Hemlock Park	2031	1,000
234	Nature Canyon Park	2031	2,000
235	Queenland Park	2031	1,000
236	Swan Lake	2031	1,500
237	Hilde Performance Center	2032	500
238	Hilde Performance Center	2032	1,500
239	Parkers Lake Park	2032	2,000
240	Parkers Lake Park	2032	1,200
241	Parkers Lake Park	2032	6,000
242	St Mary's Park	2032	1,500

243	Three Ponds	2032	1,000
244	Woodland Trails Park	2032	1,500
245	Park Name Signs		
246	Timber Shores	2048	1,000
247	Heritage	2048	1,000
248	Plymouth Dog Park	2048	1,000
249	Legacy Greenway	2048	1,000
250	Elmhurst Gardens	2048	1,000
251	East Medicine Lake (4 X 6 Custom)	2048	2,000
252	West Medicine Lake (4 X 8 Custom)	2051	4,000
253	Park Shelter Buildings		
254	Plymouth Creek Playfield	2020	325,000
255	East Medicine Lake	2021	300,000
256	Oakwood Playfield	2022	300,000
257	LaCompte Playfield	2031	145,500
258	Plymouth Playfield	2031	223,488
259	Zachary Playfield	2031	225,000
260	Parkers Lake Park	2036	485,000
261	Bass Lake Playfield	2042	353,080
262	Parkers Lake Playfield	2042	232,800
263	Elm Creek Playfield	2047	349,200
264	Log Cabin ( Parkers Lake)	2047	87,300
265	Elm Creek Garage	2048	91,200
266	Hilde Performance Center	2052	962,500
267	Skating Rink Replacement		
268	Ridgemount Playfield	2017	275,000
269	Oakwood Playfield	2018	250,000
270	Plymouth Creek Playfield	2030	225,000
271	Zachary Playfield	2031	240,000
272	Elm Creek Playfield	2033	275,000
273	LaCompte Playfield	2036	275,000
274	Skating Rink Replacement - 2nd Life		
275	Plymouth Creek Playfield	2042	225,000
276	Zachary Playfield	2043	240,000
277	Playground Replacement Costs		
278	Plymouth Creek	2013	145,000
279	Schmidt Lake	2014	100,000
280	Mission Hills	2014	100,000
281	Hemlock	2015	42,000
282	Heather Ponds	2015	83,000
283	Circle	2015	130,000
284	Three Ponds	2016	105,000
285	Sunrise	2016	105,000
286	Gateway	2017	100,000
287	Imperial Hills	2017	105,000
288	East Medicine Lake	2018	125,000
289	West Medicine	2018	145,000
290	Green Oaks	2019	105,000
291	Swan Lake	2019	92,000
292	LaCompte	2020	105,000
293	Nature Canyon	2020	100,000
294	Zachary	2021	120,000
295	Turtle Lake	2021	100,000
296	Heritage	2021	100,000
297	Shenandoah	2022	80,000
298	St. Mary's	2022	100,000
299	Camelot	2022	100,000
300	Elm Creek	2023	120,000
301	Parkers Lake	2023	140,000
302	Southwood Green	2023	50,000
303	Rolling Hills	2023	100,000
304	Lions	2024	80,000
305	Reserve	2025	110,000
306	Glenloch	2026	125,000
307	Queensland	2026	80,000
308	Shiloh	2027	120,000
309	Bass Lake	2027	100,000
310	South Shore	2028	90,000
311	Timber Shores	2028	95,000
312	Woodland Trails	2028	50,000
313	Parkers Lk Playfield	2029	84,000
314	Maple Creek	2029	100,000
315	Kilmer	2029	80,000
316	Parkers Lake Playfields	2030	40,000
317	Legecy Greenway	2030	110,000
318	Playground Replacement Costs - 2nd life		
319	Plymouth Creek	2030	140,000
320	Shiloh	2031	120,000
321	Parkers Lk Playfield	2031	120,000
322	South Shore	2032	90,000
323	Hemlock	2032	40,000

324 Heather Ponds	2032	80,000
325 Schmidt Lake	2033	100,000
326 Mission Hills	2033	100,000
327 Maple Creek	2034	100,000
328 Circle	2034	120,000
329 Three Ponds	2035	100,000
330 Sunrise	2035	100,000
331 Gateway	2036	80,000
332 East Medicine Lake	2036	120,000
333 Imperial Hills	2037	100,000
334 Green Oaks	2037	100,000
335 LaCompte	2038	100,000
336 West Medicine	2038	140,000
337 Zachary	2038	120,000
338 Turtle Lake	2039	100,000
339 Shenandoah	2039	80,000
340 St. Mary's	2039	100,000
341 Elm Creek	2040	120,000
342 Parkers Lake	2040	140,000
343 Swan Lake	2040	90,000
344 Nature Canyon	2040	100,000
345 Heritage	2041	100,000
346 Glenloch	2043	125,000
347 Camelot	2043	100,000
348 Southwood Green	2043	50,000
349 Rolling Hills	2044	100,000
350 Lions	2044	80,000
351 Reserve	2045	110,000
352 Queensland	2045	80,000
353 Bass Lake	2045	100,000
354 Timber Shores	2046	95,000
355 Woodland Trails	2046	40,000
356 Kilmer	2046	80,000
357 Parkers Lake Playfields	2047	40,000
358 Taryn Hills	2047	110,000
359 Playground Replacement Costs - 3rd life		
360 Glenloch	2047	125,000
361 Shiloh	2048	120,000
362 Parkers Lk Playfield	2048	120,000
363 South Shore	2049	90,000
364 Plymouth Creek	2049	140,000
365 Hemlock	2049	40,000
366 Heather Ponds	2050	80,000
367 Schmidt Lake	2050	100,000
368 Mission Hills	2051	100,000
369 Maple Creek	2051	100,000
370 Circle	2052	120,000
371 Three Ponds	2052	100,000
372 Picnic Shelter Replacement Costs		
373 Circle (20 X 20)	2014	25,000
374 Imperial Hills (18 X 20)	2014	26,000
375 Queensland (23 X 24)	2014	31,000
376 Zachary (30 X 30)	2019	35,000
377 Sunrise (12 X 24)	2020	31,000
378 Lions (16 X 20)	2022	20,000
379 Parkers Lake Playfield	2027	225,000
380 South Shore (24 X 24)	2030	30,000
381 West Medicine (16 X 20)	2032	250,000
382 Three Ponds (30 X 30)	2033	34,000
383 Turtle Lake (20 X 26)	2034	22,000
384 Shenandoah (16 X 16)	2036	13,000
385 Zachary (16 X 16)	2036	13,000
386 Plymouth Creek (20 X 30)	2037	32,000
387 Parkers Lake (16 X 20)	2038	25,000
388 Rolling Hills (14 X 20)	2038	16,500
389 Parkers Lake (30 X 40)	2039	45,000
390 Camelot (20 X 30)	2039	64,000
391 Reserve Park	2040	60,000
392 Woodland Trails (16 X 20)	2043	20,000
393 Picnic Shelter Replacement Costs - 2nd Life		
394 Lions (16 X 20)	2049	20,000
395 Circle (20 X 20)	2049	25,000
396 Imperial Hills (18 X 20)	2049	26,000
397 Bridges Boardwalks and Docks Repair/Replace		
398 Zachary Lane South Of RR Tr	2013	14,000
399 East Boardwalk	2018	4,000
400 Plymouth Creek Elementary	2018	3,600
401 6th Avenue & Queensland	2032	1,000
402 Rolling Hills	2040	27,500
403 Shiloh	2040	37,500
404 Plymouth Disc Golf	2013	1,900

405	Bridge	2013	1,100	
406	Bridge	2013	1,300	
407	Bridge	2013	5,400	
408	Bridge	2013	1,300	
409	Bridge	2036	2,975	
410	<b>Fazendin</b>	Bridge	2030	27,500
411	<b>Black Oak &amp; Cty Rd 6</b>	Bridge	2018	2,000
412	<b>Camelot</b>	North Boardwalk	2033	15,000
413		East Boardwalk	2033	2,660
414		South Boardwalk	2034	54,100
415	<b>Plymouth Dog Park</b>	North Boardwalk	2035	17,200
416		South Boardwalk	2035	3,350
417	<b>Heather Ponds</b>	Boardwalk	2014	7,000
418	<b>Kimberly Lane</b>	Boardwalk	2014	25,000
419	<b>Maple Creek</b>	North Bridge	2035	34,000
420		Southeast Bridge	2035	27,500
421	<b>Millenium Garden</b>	Bridge	2013	2,400
422	<b>West Medicine</b>	Fishing Pier	2029	25,000
423		Boat Dock	2030	13,000
424		North Bridge West Side Of Road	2036	3,400
425		South Bridge West Side Of Road	2036	2,200
426		Covered Bridge	2049	90,000
427	<b>Three Ponds Park</b>	Stairs & Boardwalk	2013	3,850
428		Floating Boardwalk	2016	31,000
429		Floating Boardwalk	2016	7,200
430		Floating Boardwalk	2017	17,000
431		Pier	2018	16,500
432		Bridge	2038	38,000
433	<b>Timber Shores</b>	Fishing Pier	2015	25,000
434		Floating Boardwalk	2017	28,000
435	<b>Nature Canyon</b>	Boardwalk	2015	8,200
436	<b>Parkers Lake Beach</b>	Fishing Pier	2019	18,000
437		Roll In Dock	2023	5,700
438		Roll In Dock	2023	5,700
439		Super Deck Boardwalk	2033	1,120
440	<b>East Medicine Lake</b>	Super Deck Boardwalk	2015	800
441		Roll In Dock	2023	5,700
442	<b>Green Tree Island</b>	Bridge	2040	37,500
443	<b>St. Mary's</b>	Floating Boardwalk	2031	8,000
444		Bridge	2040	27,000
445	<b>Turtle Lake</b>	Four Seasons	2038	27,500
446		Bridge	2040	37,500
447	<b>Bridges Boardwalks and Docks - 2nd Life</b>			
448	<b>Zachary Lane South Of RR T</b>	West Boardwalk	2043	14,000
449		East Boardwalk	2048	3,000
450	<b>Plymouth Creek Elementary</b>	Boardwalk/Bridge	2048	3,600
451	<b>Plymouth Disc Golf</b>	Bridge	2043	1,900
452		Bridge	2043	1,100
453		Bridge	2043	1,300
454		Bridge	2043	5,400
455		Bridge	2043	1,300
456	<b>Heather Ponds</b>	Boardwalk	2039	7,000
457	<b>Kimberly Lane</b>	Boardwalk	2044	25,000
458	<b>Millenium Garden</b>	Bridge	2043	2,400
459	<b>Three Ponds Park</b>	Floating Boardwalk	2043	31,000
460		Stairs & Boardwalk	2046	3,850
461		Bridge	2046	38,000
462		Floating Boardwalk	2047	7,200
463		Floating Boardwalk	2048	17,000
464	<b>Timber Shores</b>	Floating Boardwalk	2045	28,000
465		Fishing Pier	2047	25,000
466	<b>Nature Canyon</b>	Boardwalk	2045	8,200
467	<b>Parkers Lake Beach</b>	Roll In Dock	2039	5,700
468		Roll In Dock	2043	5,700
469		Super Deck Boardwalk	2053	1,120
470	<b>East Medicine Lake</b>	Roll In Dock	2035	5,700
471		Super Deck Boardwalk	2043	800
472	<b>MISC. BUILDING REPAIRS</b>			
473	<b>Bass Lake Roof</b>		2013	75,000
474	<b>Oakwood Roof</b>		2015	12,000
475	<b>Bass Lake Air Conditioner</b>		2015	25,000
476	<b>Misc. Roof/Building Repair</b>		2017	20,000
477	<b>Misc. Roof/Building Repair</b>		2018	20,000
478	<b>Misc. Roof/Building Repair</b>		2019	20,000
479	<b>Misc. Roof/Building Repair</b>		2020	20,000
<b>Total Capital Expenses</b>				<b>34,755,283</b>
<b>Total Expenses</b>		<b>Present Value (2012)</b>		<b>34,755,283</b>
<b>Total Expenses</b>		<b>Future Value (Includes 3% annual inflation)</b>		<b>64,454,705</b>



**City of Plymouth**

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**Plymouth Ice Center Fund**

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February, 2013

## INTRODUCTION

The following report provides an overview of the Plymouth Ice Center (PIC) operation including historic information, current amenities, user groups and other operational data. Overall, PIC has proved to be a valued community asset serving almost 500,000 visitors per year and operating as an enterprise fund (for 16 years) without any operating subsidy from the general fund – which is an anomaly in the ice arena world.

As we look to the future, and as PIC continues to age, the City will be faced with some decisions in regard to mandated and necessary improvements to this facility.

## HISTORY

The Plymouth Ice Center (PIC) is one of the busiest ice facilities in Minnesota. The facility services as home ice to Wayzata High School (boys & girls), Providence Academy (boys), Armstrong/Cooper Youth Hockey and Wayzata Youth Hockey Association, one of the largest programs in the nation. In addition PIC is also home to numerous regional and state hockey tournaments and events.

In the past, PIC also served as home ice to Armstrong High School Hockey (boys & girls). In 2012, Robbinsdale School District made the decision to move their hockey programs to the New Hope Ice Arena.

Opened in 1997 -

- \$9 million (total cost)
- Financial support provided by –
  - \$8,000,000 – Community Improvement/Administrative funds (voter approved)
  - \$250,000 - Mighty Ducks Grant
  - \$250,000 - Wayzata High School
  - \$250,000 - Wayzata Youth Hockey Association
  - \$250,000 – Other contributions
- 85,000 square feet
- 2 sheets of ice - Olympic Rink & Profession Rink

In 2004, Providence Academy and Wayzata Youth Hockey Association requested the addition of a third sheet of ice at PIC. Both groups financially contributed to the project.

Expanded in 2004 –

- \$5,375,000
- Financial support provided by –
  - \$1,600,000 – Park Dedication Fund
  - \$1,800,000 - Park Replacement (loan- Pay off in 2019)
  - \$725,000 - Wayzata Youth Hockey Association
  - \$1,250,000 - Providence Academy
- 35,000 square feet
- Third sheet of ice added - Professional Rink

Providence Academy - paid \$500,000 towards the project at the time of the bid award and an additional \$500,000 within 180 days. The last \$250,000 was paid to the City at the completion of the project. Providence also agreed to purchase a minimum of 225 hours of ice time from October 1<sup>st</sup> to March 31<sup>st</sup> for the next 15 years. The ice rental minimum was necessary to underwrite construction costs.

Wayzata Youth Hockey Association (WYHA) - paid \$175,000 at the time of bid award and an additional \$550,000 on December 31<sup>st</sup>, 2007. As part of the agreement, the City will attempt to provide WYHA an additional 22–38 hours of ice time each week between October 15 and March 15 on the third sheet of ice. The agreement also stipulates that the City Council remains in control of all scheduling of the facility.

Today

- \$14.3 million investment
- 120,000 square feet
- (1) Olympic Rink & (2) Professional Rinks

## PIC AMENITIES

(1) Olympic Rink: (200X100)	<ul style="list-style-type: none"> <li>▪ Sand floor</li> <li>▪ Refrigerant – R22</li> <li>▪ Seating for 1,000</li> </ul>
(1) Professional Rink: (200X85)	<ul style="list-style-type: none"> <li>▪ Concrete floor</li> <li>▪ Refrigerant - R22</li> <li>▪ Seating for 200</li> </ul>
(1) Professional Rink: (200X85)	<ul style="list-style-type: none"> <li>▪ Concrete floor</li> <li>▪ Refrigerant - Ammonia</li> <li>▪ Seating for 500</li> </ul>

(16) Locker rooms	<ul style="list-style-type: none"> <li>▪ All (3) High School teams have private locker rooms</li> </ul>
(2) Meeting rooms	<ul style="list-style-type: none"> <li>▪ Blue Line - seats 39</li> <li>▪ Center Ice Room – seats 125</li> </ul>
(8) Restrooms	<ul style="list-style-type: none"> <li>▪ Upper – men’s &amp; women’s</li> <li>▪ Lower Level – men’s &amp; women’s</li> </ul>
(3) Zamboni	<ul style="list-style-type: none"> <li>▪ Electric</li> </ul>
Parking	<ul style="list-style-type: none"> <li>▪ 900 vehicles</li> <li>▪ Shared with LifeTime Fitness</li> </ul>
Other amenities	<ul style="list-style-type: none"> <li>▪ Concessions and vending areas</li> <li>▪ Figure skating room</li> <li>▪ (2) Hockey officials rooms</li> <li>▪ Ice Skate rental</li> <li>▪ Skate sharpening room</li> </ul>

## BUDGET

The Plymouth Ice Center operates as an Enterprise Fund and does not receive a General Fund subsidy to sustain operations. Revenue is generated at the facility through user fees (hourly ice rental), concession sales, and advertising. PIC also receives generous donations and support from user groups for facility improvements and enhancements.

A significant portion of operating expenses in this fund is depreciation on capital assets that are already funded. The fund revenue is developed to cover general operating expenses and repairs.

The table below provides an overview of the operating budget without depreciation.

	<b>EXPENSES (ACTUAL)</b>	<b>REVENUE (ACTUAL)</b>	<b>NET</b>
2010	\$1,199,285	\$1,409,361	\$210,076
2011	\$1,265,650	\$1,478,491	\$212,841
2012*	\$1,212,657	\$1,573,854	\$299,197

\*unaudited estimate

Comparing other ice facilities, most arenas operate as enterprise funds that require financial support from the general fund to sustain general operations. As shown above, PIC is able to operate without an operating subsidy.

## OPERATING FUND COMPARISON

FACILITY	AMENITIES	FUND TYPE	PROJECT FUNDING
Burnsville Woodbury Eden Prairie	(2) Ice sheets	Enterprise Fund w/ annual subsidy (\$200,000-\$300,000)	General Fund, Bonds, Internal Funds
Brooklyn Park	(2) Ice sheets	Special Revenue Fund w/ subsidy (\$200,000-\$300,000)	
Edina, Bloomington	(3) Ice sheets	Enterprise Fund w/ annual subsidy (\$200,000-\$300,000)	General Fund, Donations, Bonds, Internal Funds
New Hope	(2) Ice sheets	General Fund (\$200,000-\$300,000)	General Fund, Bonds, Grants

## PIC USAGE (HOURS)

The facilities largest user group is Wayzata Youth Hockey Association who schedule over 2800 hours per year. Because of the facility size and layout, PIC is able to attract many regional and state user groups.

MAJOR USER GROUPS	1998 Hours	2011 Hours
Wayzata Youth Hockey Association	1,945	2,815
Public Open Skating	390	481
Minnesota Showcase Leagues and Tournaments	280	535
Wayzata High School	255	429
Minnesota All-Star Hockey Leagues	158	214
Providence Academy	0	269
All others	2,357	2,104
<b>TOTAL HOURS</b>	<b>5,385</b>	<b>6,847</b>

## PIC ICE RATES (PER HOUR)

	WINTER RATE	SUMMER RATE
2012*	\$190	\$175
2009*	\$180	\$165
2008*	\$170	\$155
2005*	\$145	\$120
2002	\$140	\$110
1998	\$130	\$110

*\*\$5 surcharge is included in the fee to help cover the cost of the 3<sup>rd</sup> sheet of ice.*

*Wayzata School District does not pay the surcharge because they are not scheduled on the 3<sup>rd</sup> sheet of ice.*

## ICE RATE COMPARISON (PER HOUR)

	WINTER RATE	SUMMER RATE
Burnsville	\$210	\$175
Woodbury	\$205	\$145
Brooklyn Park	\$200	\$165
Edina	\$200	\$200
New Hope	\$197	\$170
Bloomington	\$190	\$190
Eden Prairie	\$190	\$175
<b>Plymouth</b>	<b>\$190</b>	<b>\$175</b>

## FUTURE FACILITY IMPROVEMENTS

As PIC ages we will be faced with some decisions in regard to financing improvements to the facility. The PIC fund has a cash balance that should sustain the day-to-day operations of the facility (i.e. carpet replacement and minor equipment). Replacement and/or repair of the larger capital items will deplete the fund. The more significant capital replacement amenities are listed below.

AMENITY	COMMENTS	YEAR	EST. COST
Refrigerant Conversion	State mandated conversion from R22	2015	\$800,000
Roof Replacement	The roof is getting old and the rubber membrane is starting to leak	2016 (Rink A) 2018 (Rink B)	\$700,000 \$550,000
Olympic Rink Conversion	Change Olympic to professional size and remove sand floor	2015	\$650,000
		<b>Total</b>	<b>\$2,700,000</b>

Also for consideration is the addition of a 7,200 square foot Training Facility at PIC. Please see the separate report that provides more information regarding the project.

In order for PIC to remain an attractive and viable operation both internally and externally the facility must stay current with trends to compete with other ice facilities.

## ICE CENTER TRENDS

Dry Land Training Area	An important amenity to improve the conditioning, training and safety of athletes. Currently Blaine; Braemar; New Hope; Eagan have facilities. Eden Prairie; Bloomington; Burnsville are considering facilities.
All Electric Facility	To ensure safe indoor air quality and to meet new Health Department mandates, sport facilities are transitioning to all electric equipment. (i.e. Zamboni machines and ice edger's).
Refrigerant	R22 Freon conversion to ammonia. EPA has enacted a 40% cut-back in production of R22 for 2012, with total reproduction to cease in 2020.
Olympic Rink Conversion to Professional	Savings of 15% electrical energy use. Youth and girls would prefer a smaller sheet of ice, making the professional size more attractive for rentals. The speed skating group prefers the Olympic sheet.
Retail Space	Possible future retail space, specifically for Sports store outlets.
Magnify Locker rooms	Trend to upgrade high school locker rooms. Most venues do not have space to enlarge, but are remodeling instead.
Concrete Floor	Concrete allows for 1 to 2 inches less ice thickness, which equates to 25% in energy savings. Also saves on maintenance and adds the possibility for dry floor use.

## FUND ANALYSIS

In 2012 PIC completed a Capital Improvement Plan (CIP) that provides a 10-12 year schedule of capital replacement needs. Currently, the Plymouth Ice Center Fund does not have a sufficient cash balance to sustain the necessary replacement needs included in the CIP.

In order to complete the major facility improvements, there will need to be some type of city investment. This could be in the form of a one-time capital contribution or annual payments to cover debt issued to complete the improvements.

We are also continuing our efforts to look at grants, low or zero interest loans, or state bonds to reduce the costs of financing. Because most of the improvements are energy related and will result in annual energy cost savings, we may have more options to consider.

There are many potential options to fund the major facility improvements. In order to review the financial feasibility, we have developed three scenarios for the Council to discuss.

## **CASH FLOW SCENARIOS:**

**All scenarios include the assumption that the 2005 internal loan for the third sheet of ice is refunded from an interest rate of 5.25% to 1.5%, reducing current payments by \$20,280 per year. This item has been placed on the Consent Agenda for approval on February 12, 2013.**

### **Scenario A: Current cash flow projections**

Assumptions:

- 5.5% hourly rate increase every 3 years

#### **Results**

Cash balance goes negative beginning in 2015 with an accumulated negative cash balance in 2025 of \$3.6M. Not feasible.

### **Scenario B: Cash flow with Rate Increase**

Assumptions:

- 6.0% hourly rate increase beginning in 2014 and continuing every year through 2025
- Requires temporary cash flow for capital purchases beginning in 2015 of \$2.5M for a 15 year repayment term. This action avoids negative cash balances from 2015 through 2022.
- Rate increase will not be accepted in market to remain competitive

#### **Results**

Cash balance remains positive with low reserves until 2022. Not feasible due to market sensitivity with hourly rates and commitments with partners/customers.

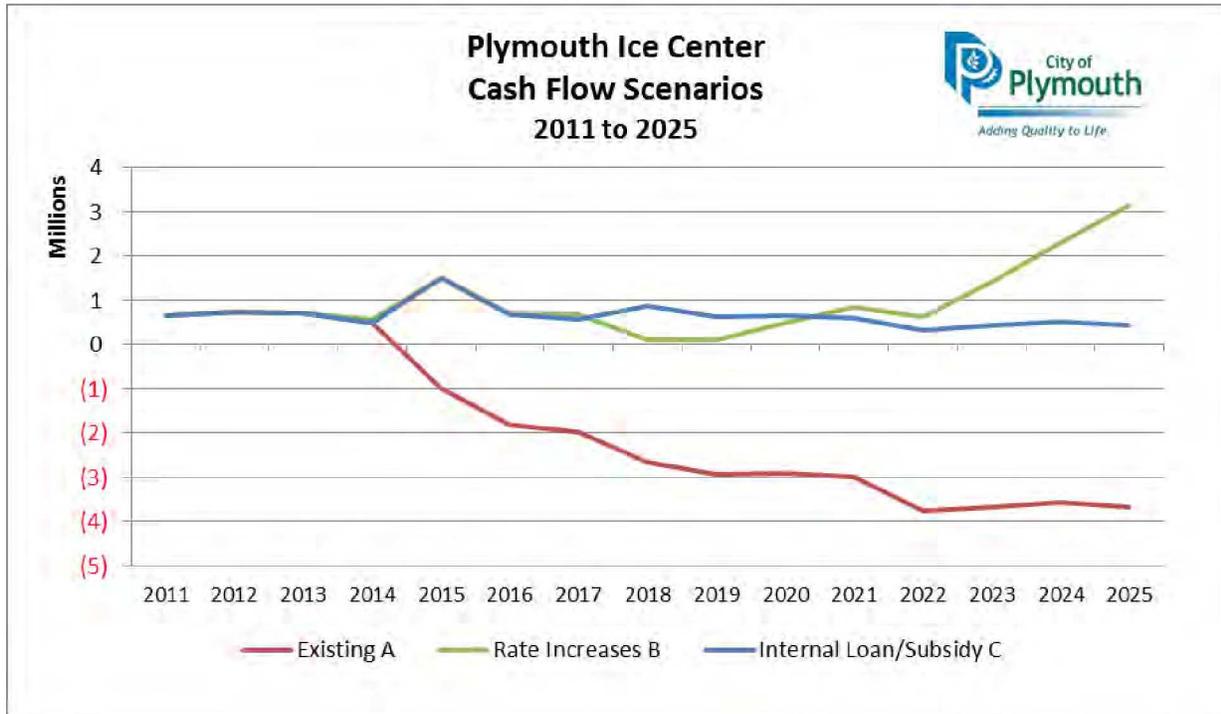
### **Scenario C: Cash flow with Internal Loan and subsidy payments from Levy**

Assumptions:

- 5.5% hourly rate increase every 3 years
- Internal loan of \$2.5 million in 2015 – repayment term of 15 years
- Internal loan of \$1.0 million in 2018 – repayment term of 15 years
- Internal loan of \$500,000 in 2022 – repayment term of 10 years
- Interest rate of internal loans 1.5%
- Levy Subsidy – varies 2015 – 2032 averaging \$262,000/year
- The source for the internal loans could be the Community Improvement Fund or other city funds.

**Results**

Cash balance remains positive with year-end reserves remaining consistent averaging \$600,000.



There are many variations of these scenarios that staff could explore after obtaining feedback from the Council.

**Attachments**

- Internal Loan Refunding Summary
- Net Income/Cash Balance Graph
- Ice Center Capital Improvement Plan

**Third Sheet of Ice Interfund Loan**  
**From Park Replacement (Fund 405) to Ice Center (Fund 540)**  
**AMENDED INTEREST RATE EFFECTIVE JANUARY 2013**

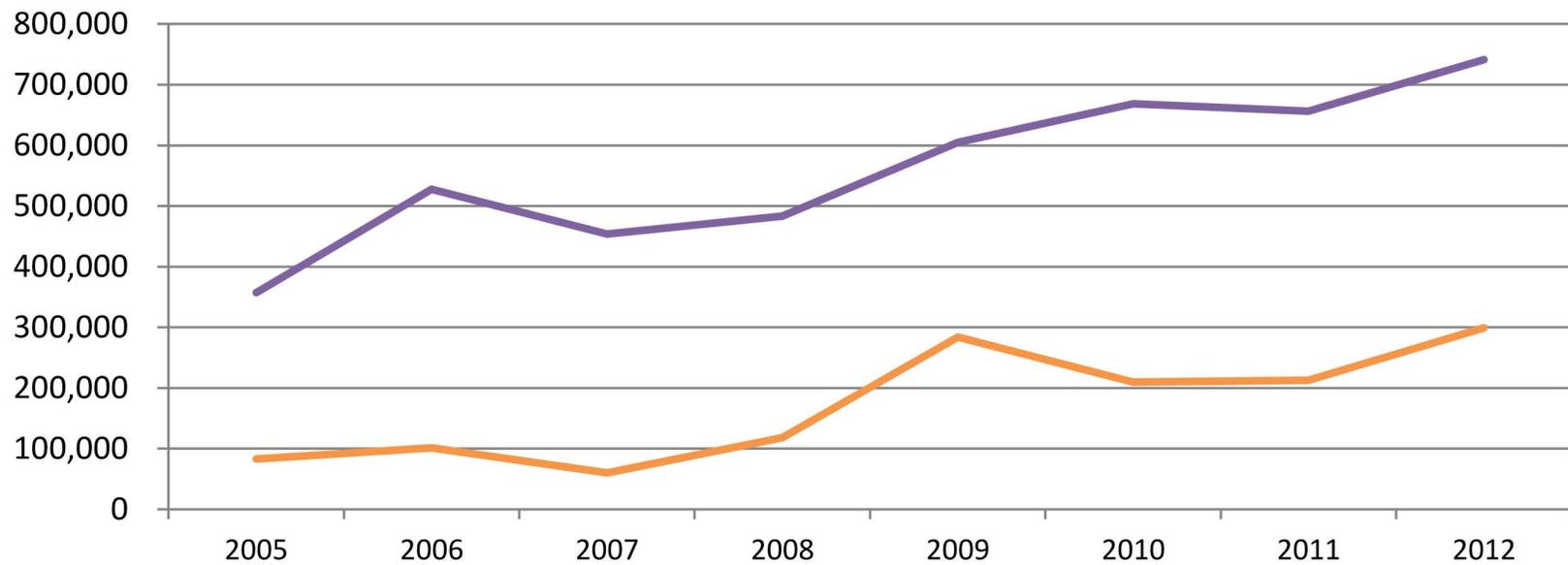


<i>Remaining Loan:</i>	\$888,200	Outstanding Principal
<i>Remaining Term:</i>	7 years	
<i>Interest Rate:</i>	1.5%	per annum
<i>Total Payment:</i>	\$134,612	annually

REFUNDING		
Interest Rate: 5.25%	Interest Rate: 1.5%	
Old Payment	New Payment	Savings
\$154,892	\$134,612	\$20,280
\$154,892	\$134,612	\$20,280
\$154,892	\$134,612	\$20,280
\$154,892	\$134,612	\$20,280
\$154,892	\$134,612	\$20,280
\$154,892	\$134,612	\$20,280
\$154,892	\$134,612	\$20,280
\$154,892	\$134,612	\$20,280
<b>Total Savings:</b>		<b>\$141,960</b>

	Beginning Principal	Interest Paid	Principal Paid	Total Payment	Ending Principal
2013	\$888,200	\$13,323	\$121,289	\$134,612	\$766,911
2014	\$766,911	\$11,504	\$123,109	\$134,612	\$643,802
2015	\$643,802	\$9,657	\$124,955	\$134,612	\$518,847
2016	\$518,847	\$7,783	\$126,829	\$134,612	\$392,018
2017	\$392,018	\$5,880	\$128,732	\$134,612	\$263,286
2018	\$263,286	\$3,949	\$130,663	\$134,612	\$132,623
2019	\$132,623	\$1,989	\$132,623	\$134,612	\$0

## Plymouth Ice Center Net Income/Cash Balances 2005 to 2012



	2005	2006	2007	2008	2009	2010	2011	2012
— Cash Balance	357,434	527,560	454,012	483,415	605,256	668,713	656,521	741,439
— Net Income	82,961	101,278	60,455	118,413	284,064	210,076	212,838	299,197

# PLYMOUTH ICE CENTER - ASSET MANAGEMENT 2013-2025

CIP items

PROJECT INFORMATION	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	TOTALS
CARRIER ROOF TOP HVAC UNITS (3) <i>(INSTALLED IN 1997; 2016- 3 UNITS/ 2021-4 UNITS)</i>				\$75,000 <i>A &amp; B (3 units)</i>					\$100,000 <i>Rink C (4 units)</i>					\$175,000
RUBBER FLOORING <i>(LOWER LEVEL &amp; STAIR TREADS INSTALLED IN 1997 - 15 YEAR LIFE)</i>		\$40,000 <i>Lower Level</i>			\$45,000 <i>locker rooms</i>									\$85,000
BUILDING CARPET <i>(INSTALLED IN 1997 - REPLACE OFFICE &amp; CENTER ICE RM CARPET)</i>		\$25,000										\$40,000		\$65,000
DEHUMIDIFIER <i>(REPLACE DSICCANT WHEELS)</i>		\$27,000 <i>Rink A</i>	\$28,000 <i>Rink B</i>					\$30,000 <i>Rink C</i>						\$85,000
ROOF REPLACEMENT (RINKS A, B & C) <i>(REPLACE RUBBER MEMBRANE)</i>				\$700,000 <i>Rink A &amp; Lobby</i>		\$550,000 <i>Rink B</i>				\$800,000 <i>Rink C</i>				\$2,050,000
ZAMBONI'S (RINK A, B & C) <i>(REPLACEMENT 5 YR LIFE/ 15 YEAR LIFE)</i>	\$52,000 <i>Refurb A</i>	\$130,000 <i>Replace -B</i>				\$130,000 <i>Replace -A</i>	\$140,000 <i>Replace -C</i>						\$170,000 <i>Replace-B</i>	\$622,000
DASHER BOARDS (RINKS A, B & C) <i>(INSTALLED 1997 - 20 YEAR LIFE -REDUCED IF RETROFITTED-2015)</i>					\$70,000 <i>Rink A</i>		\$75,000 <i>Rink B</i>						\$25,000 <i>Rink c</i>	\$170,000
SCOREBOARDS <i>(RINK A REPLACED IN 2012 @ \$50,000;</i>						\$32,000 <i>Rink B</i>								\$32,000
REFRIGERANT CONVERSION TO AMMONIA <i>(EJB &amp; B RINK MANDATED BY 2020)</i>			\$800,000											\$800,000
OLYMPIC RINK CONVERSION <i>(EJB RINK FROM OLYMPIC TO PROFESSIONAL)</i>			\$650,000											\$650,000
TRAINING FACILITY (Hen. Co Grant -\$700,000 project) <i>(PARTNERSHIP-ACCELERATION/WAYZATA YOUTH HOCKEY)</i>	\$600,000 <i>(600/400)</i>													\$600,000
RUPP ROOF AIR-EXCHANGER HANDLER (A & B) <i>(LOCKERROOM REPLACEMENT)</i>				\$28,000										\$28,000
COOLING TOWERS									\$80,000 <i>Rink c</i>					\$80,000
100 HP COMPRESSOR MOTOR <i>(FOR REFRIGERATION PLANT REPLACEMENT - DON'T NEED IF CONV.)</i>								\$16,500 <i>Rink C</i>						\$16,500
AUTO SCRUBBER <i>(REPLACEMENT- current unit 16 yr. old)</i>	\$8,000													\$8,000
PICK-UP TRUCK <i>(USED -PURCHASED 2002)</i>				\$16,000										\$16,000
JOHN DEERE SNOWBLOWER/BLADE <i>(REPLACEMENT - ORIGNIALLY PURCHASED IN 2000)</i>		\$20,000												\$20,000
ZAMBONI BATTERIES <i>(BATTERIES- ABOUT 5 YR LIFE SPAN)</i>			\$10,000 <i>Rink C</i>			\$10,000 <i>Rink A</i>	\$10,000 <i>Rink B</i>					\$10,000 <i>Rink C</i>		\$40,000
MISC. REPAIR/REPLACEMENT <i>(MEZZANNINE &amp; RINK B EXITS/SIGN/ETC)</i>	\$11,000 <i>Doors</i>		\$11,000 <i>Doors</i>	\$15,000 <i>Neon sign</i>						\$25,000 <i>Electronic sign</i>				\$62,000
CONCESSION EQUIPMENT <i>(FREEZER &amp; POPCORN MACHINE)</i>		\$2,000	\$2,000											\$4,000
SIDEWALK REPAIR - FRONT ENTRANCE <i>(COORDINATE WITH PARKING LOT REPAIR)</i>			\$15,000											\$15,000
VARIABLE FREQUENCY DRIVE (VFD) <i>(EFFICIENCY FOR CONDENSER)</i>		\$8,000 <i>Rink C</i>												\$8,000
RINK SOUND SYSTEM/SPEAKERS <i>(SPEAKERS IN 2012 &amp; 12 IN 2013)</i>	\$12,000													\$12,000
ENERGY MANAGEMENT SYSTEM <i>(CONTROL FACILITY OPERATION SYSTEM)</i>			\$30,000											\$30,000
<b>TOTALS</b>	<b>\$683,000</b>	<b>\$252,000</b>	<b>\$1,546,000</b>	<b>\$834,000</b>	<b>\$115,000</b>	<b>\$722,000</b>	<b>\$225,000</b>	<b>\$46,500</b>	<b>\$180,000</b>	<b>\$825,000</b>	<b>\$0</b>	<b>\$50,000</b>	<b>\$195,000</b>	



## PLYMOUTH ICE CENTER DRY LAND TRAINING FACILITY

### CONCEPT

The City of Plymouth, in partnership with Wayzata Youth Hockey Association, is exploring the concept of constructing a dry land training facility by expanding the Plymouth Ice Center.

Currently there is no separate area for off-ice physical activity. Skaters and teams are utilizing common areas (i.e., lobby, stair, and bleacher areas) not meant for physical activity to conduct their off-ice pre-game/practice warm-ups and skills training. More often than not, those same areas are occupied by other facility users such as family members and spectators, increasing the risk for accidents and injury to both persons and property.

In addition, the dry land training facility would enhance local opportunities for youth to participate in athletic skills and fitness training for multiple sports and increase camps and tournaments.

The addition would be constructed on the east side of Rink B of the PIC. There would be a separate outside entrance for the training facility and because the expansion area is currently a grassy strip of land, there would be no loss of parking spaces due to the expansion.

### PROJECT VISION

- Construct a 7,220 square feet expansion of the Plymouth Ice Center for athletic skills and fitness training as well as pre-game and practice warm up.
- This is not a fitness center – rather an athletic focused skills and fitness training area.
- The City of Plymouth would partner with a third party through a long-term lease agreement/covenant.
- The training facility would provide valuable off-ice income (\$55,000-\$65,000 per year). More importantly, the off-ice revenue will help to fund future improvements and needed repairs to the Plymouth Ice Center (PIC). Without a new source of revenue, it will be more difficult for the PIC enterprise fund to operate in the black in the long term.
- The City of Plymouth Parks is responsible for the operation and maintenance of (PIC)
- It is the City of Plymouth's intention that this project be fully sustained and used for youth dry land training and pre-game or practice warm-up activities for a minimum of 15 years.
- Supply youth access to health and wellness guidance (i.e. nutrition, concussion awareness, etc.).



- Enhance and increase local opportunities for youth to participate in athletic skills and fitness training for multiple sports such as hockey, baseball, soccer, football, basketball and lacrosse.
- Help alleviate safety concerns for both persons/property due to the facility's limited space.
- Expand opportunities for youth to participate in ice and hockey sports camps and tournaments.
- Reduce organizational training costs for youth (i.e., eliminate/reduce transportation costs, discounted training fees for major partners and referrals).
- Wayzata Youth Hockey Association has provided letters of support and monetary commitment.

## FUNDING

Staff has reviewed the financial terms of a potential lease with a third party based on market rents and have prepared a 10 year cash flow to outline how the project could be funded. Preliminary terms of the project financing include:

- Total project cost estimated at \$1 million
- 10 year lease agreement with private entity at \$9 per square foot, inflated at 3% per year.
- Lease terms would require private entity to pay all utilities, taxes and interior improvements.
- Up-front cash contribution from Wayzata Youth Hockey Association of \$100,000 with an additional \$75,000 per year in years 2 through 5.
- Project financing includes internal loan of \$900,000 at 1.5% interest rate for a term of 10 years.
- Payback of internal loan in eight years.
- Lease revenue after the eighth year would be available for other purposes including assisting with paying off debt for major facility improvements.

A preliminary project pro-forma is attached outlining the annual cash flow. We have not included any grant funds in the pro-forma. If grant funds are obtained, the payback period would be reduced accordingly.

## ACTION

The proposal is conceptual at this time and staff is looking for Council feedback and direction.

## ATTACHMENTS

Preliminary Project Pro-Forma  
Letter from WYHA

**PLYMOUTH ICE CENTER EXPANSION  
DRY LAND TRAINING AREA**



**Revenue Assumptions**

Leaseable s.f.	7,220
Lease Rate	9.00
Inflator	3%

**WYHA Contributions**

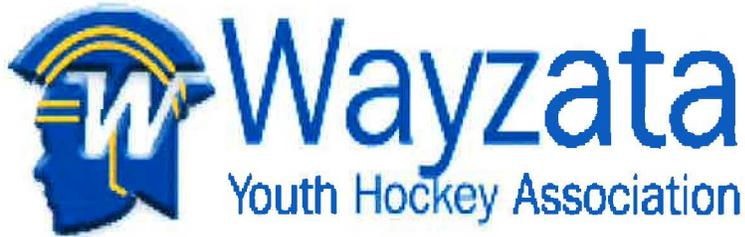
2013	100,000
2014	75,000
2015	75,000
2016	75,000
2017	75,000
<b>Total</b>	<b>400,000</b>

**Loan Assumptions**

Rate	1.50%
Term	10
Amount	900,000 Includes \$100,000 upfront WYHA contribution
Dated Date	1/1/14 Assumes no accrued/capitalized interest
First Payment	12/31/14

<u>Year</u>	<u>Revenue</u>	<u>Beginning Balance</u>	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Payment</u>	<u>Ending Balance</u>
2014	139,980.00	900,000	13,500.00	126,480.00	139,980.00	773,520
2015	141,929.40	773,520	11,602.80	130,326.60	141,929.40	643,193
2016	143,937.28	643,193	9,647.90	134,289.38	143,937.28	508,904
2017	146,005.40	508,904	7,633.56	138,371.84	146,005.40	370,532
2018	73,135.56	370,532	5,557.98	67,577.58	73,135.56	302,955
2019	75,329.63	302,955	4,544.32	70,785.31	75,329.63	232,169
2020	77,589.52	232,169	3,482.54	74,106.98	77,589.52	158,062
2021	79,917.20	158,062	2,370.93	77,546.27	79,917.20	80,516
2022	82,314.72	80,516	1,207.74	81,106.98	82,314.72	(591)
2023	84,784.16	(591)	(8.86)	84,793.03	84,784.16	(85,384)

Project cost estimate is \$1,000,000.



**4300 Niagara Lane  
Plymouth, MN 55446**

Ms. Diane Evans  
Plymouth Ice Center  
3650 Plymouth Blvd  
Plymouth MN 55446-3201

February 5, 2013

Subject: Training Center at Plymouth Ice Center

Dear Diane:

The Wayzata Youth Hockey Association Board has unanimously approved supporting the construction and use of a training facility at the Plymouth Ice Center at its February 5, 2013 meeting. It would be very valuable to the members of Wayzata Youth Hockey to have a training facility on site at Plymouth Ice Center. Training and development are the key ingredients for successful hockey players.

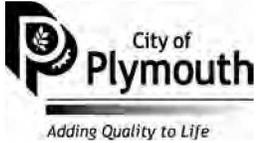
Additionally the WYHA Board is of the opinion that the training center addition will enhance the Plymouth Ice Center's reputation as a year round destination arena for games, practice and training for WYHA members and other groups/persons seeking athletic training. With that in mind the Wayzata Youth Hockey Association has approved a \$100,000 donation and 4 - \$75,000 annual payments totaling \$400,000 to the construction of a PIC Training Center.

Wayzata Youth Hockey is proud and privileged to once again work with the City of Plymouth on a collaborative project that will enhance youth activities in our community. Please contact me at [ggibson@gkservices.com](mailto:ggibson@gkservices.com) or 612-221-2176 if you have any further questions regarding Wayzata Youth Hockey's support and financial commitment of a training facility at Plymouth Ice Center.

Sincerely

A handwritten signature in blue ink, appearing to read 'GG', is written over the word 'Sincerely'.

Greg Gibson  
President  
Wayzata Youth Hockey Association



**SPECIAL  
COUNCIL MEETING**

**To:** Mayor and City Council

**Prepared by:** Laurie Ahrens, City Manager

**February 12, 2013**

**Item: Set Future Study Sessions**

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**1. ACTION REQUESTED:**

Set future study sessions and amend the pending study session list, as desired. Calendars are attached to assist with scheduling.

**Pending Study Session Topics**

(at least 3 Council members have approved the following study items on the list)

- Domestic Partner Registration (after conclusion of 2013 legislative session)
- Discuss Human Rights Committee

**Other requests for study session topics:**

- Update with City Manager - spring

# February 2013

SUN	MON	TUES	WED	THUR	FRI	SAT
					1	2 2:00 PM FIRE & ICE FESTIVAL Parkers Lake
3	4	5 5:30 PM SPECIAL COUNCIL MEETING Meeting with Area Legislators Medicine Lake Room	6 7:00 PM PLANNING COMMISSION MEETING Council Chambers	7	8	9
10	11	12 7:30 AM STATE OF THE CITY Council Chambers 5:30 PM SPECIAL COUNCIL MEETING* Medicine Lake Room 7:00 PM REGULAR COUNCIL MEETING Council Chambers	13 <i>Ash Wednesday</i>	14 7:00 PM PARK & REC ADVISORY COMMISSION (PRAC) MEETING Council Chambers	15	16
17	18  PRESIDENTS DAY  CITY OFFICES CLOSED	19	20 7:00 PM PLANNING COMMISSION MEETING Council Chambers	21 7:00 PM ENVIRONMENTAL QUALITY COMMITTEE (EQC) MEETING Council Chambers	22	23
24	25	26 7:00 PM REGULAR COUNCIL MEETING Council Chambers	27 7:00 PM PLYMOUTH ADVISORY COMMITTEE ON TRANSIT (PACT) REGULAR MEETING Medicine Lake Room	28 6:00 PM SPECIAL COUNCIL MEETING Tour of Firearms Range Law Enforcement Center 11370 89th Ave N Maple Grove 7:00 PM HRA MEETING Medicine Lake Room		

\* Discuss Park Replacement Funds

Modified on 02/05/13

CHANGES ARE NOTED IN RED

# March 2013

SUN	MON	TUES	WED	THUR	FRI	SAT
					1	2
3	4	5	6 7:00 PM PLANNING COMMISSION MEETING Council Chambers	7	8	9
10  <i>Daylight Savings Time Begins</i>	11	12 7:00 PM REGULAR COUNCIL MEETING Council Chambers	13 7:00 PM ENVIRONMENTAL QUALITY COMMITTEE (EQC) MEETING Council Chambers	14 5:30 PM COMMITTEE AND COMMISSION RECOGNITION EVENT Plymouth Creek Center	15	16 9:00 AM- 12:00 PM CITY SAMPLER Plymouth City Hall
17	18	19 7:00 PM REGULAR COUNCIL MEETING Council Chambers	20 7:00 PM PLANNING COMMISSION MEETING Council Chambers  7:00 PM PLYMOUTH ADVISORY COMMITTEE ON TRANSIT (PACT) STUDY SESSION Medicine Lake Room	21	22  <i>Good Friday</i>	23
24  31  <i>Easter Sunday</i>	25  <i>Passover Begins at Sunset</i>	26	27	28 7:00 PM HRA MEETING Medicine Lake Room	29	30

Modified on 01/31/13

# April 2013

SUN	MON	TUES	WED	THUR	FRI	SAT
	1	2	3 7:00 PM PLANNING COMMISSION MEETING Council Chambers	4	5	6
7	8	9 6:00 PM BOARD OF EQUALIZATION Council Chambers  Immediately Following BOE REGULAR COUNCIL MEETING Council Chambers	10 7:00 PM ENVIRONMENTAL QUALITY COMMITTEE (EQC) MEETING Council Chambers	11 5:00–9:00 PM PRIMAVERA Plymouth Fine Arts Council Show Plymouth Creek Center	12 5:00–9:00 PM PRIMAVERA Plymouth Fine Arts Council Show Plymouth Creek Center  6:00–8:00 PM YARD & GARDEN EXPO Plymouth Creek Center Fieldhouse	13 10:00 AM–4:00 PM PRIMAVERA Plymouth Fine Arts Council Show Plymouth Creek Center  9:00 AM-1:00 PM YARD & GARDEN EXPO Plymouth Creek Center
14 1:00–4:00 PM PRIMAVERA Plymouth Fine Arts Council Show Plymouth Creek Center	15 10:00 AM-4:00 PM 7:00 PM-8:30 PM PRIMAVERA Plymouth Fine Arts Council Show Plymouth Creek Center	16	17 7:00 PM PLANNING COMMISSION MEETING Council Chambers	18	19	20
21	22	23 6:00 PM BOARD OF EQUALIZATION RECONVENED (if necessary) Council Chambers  Immediately Following BOE REGULAR COUNCIL MEETING Council Chambers	24 7:00 PM PLYMOUTH ADVISORY COMMITTEE ON TRANSIT (PACT) STUDY SESSION Medicine Lake Room	25 7:00 PM HRA MEETING Medicine Lake Room	26	27
28	29	30				

Modified on 01/31/13

SUN	MON	TUES	WED	THUR	FRI	SAT
			1 7:00 PM PLANNING COMMISSION MEETING Council Chambers	2	3	4  7:30 AM-2:00 PM SPECIAL DROP OFF DAY Public Works Maintenance Facility
5 8:00 AM—1:00 PM Plymouth Fire Department Annual Waffle Breakfast Fire Station 3	6	7	8 7:00 PM ENVIRONMENTAL QUALITY COMMITTEE (EQC) MEETING Council Chambers	9 7:00 PM PARK & REC ADVISORY COMMISSION (PRAC) MEETING Council Chambers	10	11
12	13	14 7:00 PM REGULAR COUNCIL MEETING Council Chambers	15 7:00 PM PLANNING COMMISSION MEETING Council Chambers	16	17	18
19	20	21	22 7:00 PM PLYMOUTH ADVISORY COMMITTEE ON TRANSIT (PACT) REGULAR MEETING Medicine Lake Room	23 5:00-8:00 PM ENVIRONMENTAL QUALITY FAIR Zachary Lane Elementary School  7:00 PM HRA MEETING Medicine Lake Room	24	25
26	27  <i>Memorial Day</i>  CITY OFFICES CLOSED	28 7:00 PM REGULAR COUNCIL MEETING Council Chambers	29	30	31	

Modified on 02/06/13