



Hermantown City Council Work Session– June 14, 2021

Because of attendance limitations at the regular meeting location due to the health pandemic, Hermantown’s June 14, 2021, City Council Work Session will be held in person with limited access to Council Chambers.

This meeting can also be accessed by utilizing the platform “Zoom” - which allows the public to view and/or hear the meeting from their phone or computer.

The 4:00 p.m. City Council Work Session will be available at:

<https://us02web.zoom.us/j/84022506848?pwd=T1MrRzN5bIBpTUdpSVFwQUVQc0lwZz09>

and/or by calling the number (312) 626-6799 and utilizing meeting ID and Passcode listed below

Meeting ID: 840 2250 6848

Passcode: 421689

A few important tips regarding the Zoom platform:

- If your computer does not support audio, you can still watch the meeting on your computer and call in on your phone to hear the meeting
- It is a challenging situation for all of us, so grace and understanding are appreciated

There is no public comment scheduled during a work session but the public is invited to listen to this meeting.

**CITY COUNCIL
WORK SESSION AGENDA
Council Chambers**

MONDAY, June 14, 2021 at 4:00 P.M.

DISCUSSION ITEMS

1. Community Recreation Initiative
 - a. Legislative Update
 - b. Inquiries for Federal Dollars
 - c. Referendum process – The City’s limited role
 - d. Naming Rights Discussion
 - e. School Discussions
 - f. Construction Delivery Methods

2. Recess

TO: Mayor & City Council
FROM: John Mulder, City Administrator
DATE: June 10, 2021
SUBJECT: Discussion items



Meeting Date: 6/14/21
Agenda Item: 1- Discussion

REQUESTED ACTION

BACKGROUND

1. Community Recreation Initiative
 - a. **Legislative Update:** The Legislature is scheduled to be called back into Session on Monday June 14th. This is what we know right now:

Comparison of Sales Tax Language – House vs Senate

House	Senate
HF 991 Article 9 Section 8	SF 961 Article 8 Section 7
<p><u>Subd. 2.</u></p> <p>Use of sales and use tax revenues.</p> <p>The revenues derived from the tax authorized under subdivision 1 must be used by the city of Hermantown to pay the costs of collecting and administering the tax and paying for the following projects in the city related to a Community Recreational Initiative, including securing and paying debt service on bonds issued to finance all or part of the following projects:</p> <p>(1) \$10,840,000 for an addition of a second ice sheet with locker rooms and other</p>	<p>Subd. 2.</p> <p>Use of sales and use tax revenues.</p> <p>The revenues derived from the tax authorized under subdivision 1 must be used by the city of Hermantown to pay the costs of collecting and administering the tax and for up to \$28,000,000 for costs related to a Community Recreational Initiative, which includes: an addition of a second ice sheet with locker rooms and other facilities and upgrades to the Hermantown Hockey Arena; improvements and upgrades to Fichtner Park; and construction of the Hermantown-Proctor trail running from the Essentia Wellness</p>

<p>facilities and upgrades to the Hermantown Hockey Arena; and</p> <p>(2) \$4,570,000 for construction of the Hermantown-Proctor trail running from the Essentia Wellness Center to the border with Proctor and eventually connecting to the Munger Trail.</p>	<p>Center to the border with Proctor and eventually connecting to the Munger Trail.</p>
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To date, we have not heard of any discussion by the Conference Committee which way they are leaning on this issue.

- b. **Inquiries for Federal Dollars:** We have submitted requests to both Representative Stauber's office and Senator Klobuchar's office. We were not included in the projects that were submitted by Representative Stauber's office. We have not heard back from Senator Klobuchar. Those requests are attached for your information.
- c. **Referendum process** – The City's limited role: We should have a brief discussion on the City's limited role in any referendum process.
- d. **Naming Rights Discussion:** During the Wellness Center project, we did not specifically request proposal for just naming the facility, instead, we asked for a medical partner, and the naming agreements came out of that process. The City Council previously discussed this issue, but more direction is needed. Specifically, what dollar amount would be sufficient to acquire the naming rights of the facility, and further discussion on that process.
- e. **School Discussions:** We (Jeff Schiltz and I) are scheduled to meet with the Wayne Whitwam on Thursday June 17th. Agenda includes:
 - Update on Hermantown Recreational Initiative
 - Potential land swaps.
 - Naming rights discussions (including the existing rink)
 - Other potential items such as locker rooms, ice plant, etc.

I don't think we should rule out the question of actual ownership of the arena

- f. **Construction Delivery Methods:** I would like to begin the discussion of what method of construction the City might use, and what that scope of work might be, if the sales tax proposal passes the legislature and a referendum. As you will recall, that question became somewhat controversial during the discussion of the Essential Wellness Center. Jeff Schiltz of ICS has asked to do a presentation on the model used by ICS. I believe we should schedule that presentation in the next two months or so (assuming the sales tax

is passed by the legislature.) As you might imagine, there are other vendors who would likely want to present their model for delivery as well.

We may also want to discuss if the same method would be used for all of the projects.

ATTACHMENTS

Requests made to Representative Stauber and Senator Klobuchar



Senator Klobuchar Congressionally Directed Spending Request Form - FY22

Name & Contact Info	Mailing Address	Permanent Address
Joe Wicklund Work: 2187293600 Mobile: 2182131920 jwicklund@hermantownmn.com	5105 Maple Grove Road Hermantown Governmental Services Building Hermantown MN 55811	5105 Maple Grove Road Hermantown Governmental Services Building Hermantown MN 55811

* indicates a required field.

Section 1. Funding Request

1. Name of Proposal *

Hermantown Community Recreation Initiative

2. Submitting Organization *

City of Hermantown

3. Specific Location in Minnesota *

Hermantown

4. Dollar Amount of Directed Spending Request *

19310000

5. Needs Statement *

Hermantown's Community Recreation Initiative is a three-component project aimed at improving the health outcomes of residents in southern St. Louis County, while providing an economic booster for the region. The three projects are a trail system connecting Hermantown and multiple communities to the state-wide Willard Munger trail in Minnesota, the reimagining and revamping of a central park utilized by members of multiple communities to create greater access to outdoor activities, and the construction of an indoor ice arena and reconfiguration of outdoor ice facilities to meet the overwhelming regional need on the sole current aging facility.

St. Louis County has struggled with county-wide health outcomes - which burden not only individual residents but also negatively impact the quality of life and the economy across the entire region. The Community Recreation Initiative is a significant step in providing accessible opportunities across a full spectrum of age, ability, and interest to more than 100,000 people. It does so with three component projects that will also bring economic positives into the area.

The total initiative cost is \$19.31 million, with \$4.57 million for the trail system, \$3.9 million for Fichtner Park, and \$10.84 million for the ice arena. All three of these projects are expected to have a positive health impact in our area, as these varied options can be utilized by people of varying interests and abilities. All three projects are also expected to have a positive economic impact on our area, through the creation of jobs, the attraction of much-needed visitors to this region, and more. Finally, all three projects provide extraordinary benefit beyond the City of Hermantown's borders, as our growing city provides a great deal of recreation opportunities for neighboring communities.

The reality of St. Louis County's substandard comparative health outcomes is not going to improve without clear investment. A significant first step has been taken and has proven successful with the Essentia Wellness Center - a multi-use facility brought into creation through a partnership with the City of Hermantown, private businesses, the local school district, and the state of Minnesota. The early success of this facility has allowed for the confidence in stepping forward in requesting this funding for the Community Recreation Initiative. While it is hard to quantify the economic gains of a healthy lifestyle, we know the debilitating costs, not to mention the physical impact of obesity, diabetes, and other cumulative negative health effects. We are trying to maximize St. Louis County's health through a focused investment of our sales tax. Should this prove to be successful, as it already has initially shown with the Essentia Wellness Center, the payback on this investment is immeasurable. The global health pandemic has also shown us that options need to be provided beyond a single building, no matter how dynamic that facility can be.

In Hermantown, we have taken a stand for health. Now, we want to extend that success beyond a single building and into the lives of our region's youngest softball players and skateboarders, our oldest skaters and shortstops, and all throughout our region with the newest, most accessible trail and path system. As we age, we know you cannot put a price on good health, but what you can put a number to is the investment in everyone's healthy recreation opportunities. We have placed that number at \$19.31 million for an area of impact north of 100,000 people.

6. Existing Resources *

In terms of existing resources, all three components of the Hermantown Community Recreation Initiative have the advantage of adding/updating an existing opportunity. The area, already well known for its hockey tradition, has maximized both an indoor and outdoor facility that is reaching the end of its usable life. This investment would extend what is already in place while adding a critical update in an area of incredible regional pride and allow continued growth of the sport among younger and female players. Regarding the Fichtner Park component, this would update facilities that can be used by countless community members - from skateboarders to shortstops and from families to individuals - but with a redesign that makes it even more accessible, safe, and usable. Finally, the trail system has a few stretches already in place, with two more slated for completion in the coming weeks. This would move the final stages of the multi-section trail from an unknown future to a known and exciting now. All three projects have demonstrated regional value and clear community support. A recent community survey garnered nearly 1,000 residential completions (and more than 1,000 with residents who would benefit from these recreational opportunities) and all three components garnered more than 50% support - with the trail system leading the way with more than 70% of respondents in favor. More information regarding this survey can be viewed at www.hermantownmn.com/recreation-initiative.

7. Total Cost of the Project *

19310000

8. Relevant Appropriations Bill

Transportation and/or Housing/Urban Development

9. Specific Account

19,310,000

10. Priority Ranking of Proposal (If multiple proposals are being submitted) *

If only one proposal is being submitted, please enter 1.

1

11. Was this request submitted to another member of the Minnesota Delegation *

Yes

12. Is the organization a For-Profit Entity *

No

Section 2. Needs Statement

1. Description of Proposal for Use of Federal Funds *

As noted earlier, the total initiative cost is \$19.31 million, with \$4.57 million for the trail system, \$3.9 million for Fichtner Park, and \$10.84 million for the ice arena. All three of these projects are expected to have a positive health impact in our area, as these varied options can be utilized by people of varying interests and abilities. All three projects are also expected to have a positive economic impact to our area, through the creation of jobs, the attraction of much-needed visitors to this region, and more. Finally, all three projects provide extraordinary benefit beyond the City of Hermantown's borders, as our growing city provides a great deal of recreation opportunities for neighboring communities.

2. Description of Importance to Minnesota *

In our portion of Minnesota, health outcomes are not strong - which have a negative impact not just on our area, but the entire state. There is an economic cost, but also a social cost as well. Improving health outcomes in our area by leaning into community recreation opportunities will not only have a positive impact on the health and well-being of those in our immediate region of the state, but also a positive impact state-wide as our health outcomes improve. When St. Louis County - geographically one of the largest counties in the country - is able to tackle this issue with new resources and new tools, the entire state will feel the benefit. We are seeing small steps forward on this front already with the state, local, and private investment in the Essentia Wellness Center. This gathering space for health, wellness, and community have shown immediate benefits on the individual level that we know will translate to improved health. The pandemic taught us about the limitations of a single facility, so the proposed components extend that commitment to improved health beyond a solitary building. We also believe that these approaches, creative partnerships, and the hard decisions to make these investments can provide a playbook for other Minnesota and midwestern communities to embrace healthier lifestyle choices in ways that leverage the strong community atmospheres they already exhibit.

3. Description of Benefit to Local Community *

Again, the focus on improved health outcomes is the most important benefit, which we know will translate into positives regarding financial and economic outcomes. Regarding the trail system, we have a region that is clamoring for greater non-motorized trail access and this would close a large un-trailed hole in the map and connect several communities with one of the state's premier trail systems - the Willard Munger. Fichtner Park will take the step forward to being the park it was always intended to be - a central, regional park with several access points and available to all. Finally, and simply put, we have more hockey demand than we have the facilities to handle our love of our state's most well-known game. With more and more young people - especially females - participating in the sport and greater numbers of adults staying active in the sport past high school and college, we need a facility that serves an entire region's love of hockey and not just one high school.

4. List Any Entities or Organizations Partnering in or Supporting the Project *

There will be ongoing support for the success and maintenance of these projects, some at a more formal partnership level and others based on grassroots community and user-level support.

5. List Three Concise Points to Justify Use of Congressionally Directed Spending *

- 1.) Improved Health Outcomes
- 2.) Economic Benefit to Area
- 3.) Proven Need and Want By Constituents

Section 3. Funding History

1. Please Describe any Past Federal Funding Support for this Project *

There has not been past federal funding support for this project.

2. Has this Project Received Past Congressionally Directed Funding *

If yes, please identify when and what funding

There has not been past funding directed by Congress to this project.

3. Describe any Non-Federal Funding that Supports this Request, and is it in Hand *

We are in the process of requesting permission from the Minnesota Legislature to include a Local Option Sales Tax question on the November 2022 ballot. It is uncertain whether this permission will be granted at this point.

4. Describe any Private Funding or Donations for the Project *

Additional amenities outside of the core needs for each component will be funded through private donations. Examples could include naming rights for the hockey arena, memorial seating options on the trail, and greater playground options than would be currently funded in the park.

5. Is this a One-Time Request for Congressionally Directed Support *

Yes

6. Is Additional Federal Funding Required? When and How Will the Project Become Self-Sustaining *

At this time, we do not anticipate needing additional federal funding. These projects will be self-sustaining through a variety of actions ranging from user fees, advertising, rental costs, and planned expenditures in future city budgets.

Section 4. Contact Information

1. Name of Organization *

Legal Grantee Name

City of Hermantown

Primary Point of Contact

2. Name *

Joe Wicklund

3. Title *

Communications and Community Engagement Director

4. Address Line 1 *

5105 Maple Grove Road

5. Address Line 2

Hermantown Governmental Services Building

6. City *

Hermantown

7. State *

MN

8. Zipcode *

55811

9. Phone Number

2187293600

10. Email Address *

jwicklund@hermantownmn.com

Head Of Organization/Department/Agency

11. Name *

John Mulder

12. Title *

City Administrator

13. Address Line 1 *

5105 Maple Grove Road

14. Address Line 2

Hermantown Governmental Services Building

15. City *

Hermantown

16. State *

MN

17. Zipcode *

55811

18. Phone Number *

2187293600

**FY 2022 Programmatic and Language Appropriations Request Form
Rep. Pete Stauber (MN-08)**

Please fill out this form, save as a Microsoft Word document, and email all requests to Jeff.Bishop@mail.house.gov by the deadlines at the bottom of this document.

If you have any questions, please contact Jeff Bishop via email or 202-225-6211.

Program Request

- 1) Requester information (Organization and point of contact): **City of Hermantown – John Mulder (City Administrator), Natalie Peterson, and Grant Hauschild (City Councilors)**

- 2) What appropriations subcommittee does the request fall under? – **Transportation, Housing, and Urban Development (THUD)**

- 3) What agency does the request fall under?

- 4) What account does the request fall under? **Department of Housing and Urban Development – Economic Development Initiative (EDI)**

- 5) What is the name/title of the federal program? (if applicable)

- 6) What were the FY20 & FY21 actual levels of funding? **These are currently newly proposed projects that do not yet have funding.**

- 7) Please provide a brief description of the program. **Hermantown’s Community Recreation Initiative is a three-component project aimed at improving the health outcomes of residents in southern St. Louis County, while providing an economic booster for the region. The three projects are a trail system connecting Hermantown and multiple communities to the state-wide Willard Munger trail in Minnesota, the reimagining and revamping of a central park utilized by members of multiple communities to create greater access to outdoor activities, and the construction of an indoor ice arena and reconfiguration of outdoor ice facilities to meet the overwhelming regional need on the sole current aging facility.**

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- 8) Would you like to:
- a) Support enacted level? Please provide the enacted level.
 - b) Support the President's Budget Request? Please provide the President's Budget Request amount.
 - c) **Request a specific funding amount? Please provide the funding amount. We would like to request the full funding of the Community Recreation Initiative to the amount of \$19.31 million in order to complete the three components of this regionally-impactful initiative.**
 - d) Request General programmatic support? Indicate yes or no.
- 9) What office is leading the letter?

Language Request

**FY 2022 Programmatic and Language Appropriations Request Form
Rep. Pete Stauber (MN-08)**

- 1) Requester information (Organization and point of contact):

- 2) What appropriations subcommittee does the request fall under?

- 3) What agency does the request fall under?

- 4) What account does the request fall under?

- 5) What title does it fall under (if applicable)? (Ex. Agriculture, Title I)

- 6) Is the request for bill language or report language?

- 7) Please provide the proposed language.

Deadlines

Agriculture, Rural Development, FDA	April 2 nd
Commerce, Justice, and Science	April 2 nd
Defense	TBD
Energy and Water Development	April 2 nd
Financial Services and General Government	April 2 nd
Homeland Security	April 2 nd
Interior and Environment	April 2 nd
Labor, HHS, and Education	April 2 nd
Legislative Branch	April 2 nd
Military Construction and Veterans Affairs	April 2 nd
State and Foreign Operations	April 2 nd
Transportation Housing and Urban Development	April 2 nd