

**Mayo Civic Center Commission Meeting
Tuesday, September 5, 2017 – 3:00 PM
Mayo Civic Center Office Conference Room**

Attendees: Commission Members

Teresa Chapman, Heidi Mestad, Matt McCollom, Marv Mitchell, Dan Nelson, Amita Patel
Absent: Jerrie Hayes

Other Attendees:

Shannon Bolte (KTTC), Nick Campion (City), Donna Drews (Mayo Civic Center (MCC)), Dave Goslee (City Attorney's Office), Brad Jones (Rochester Convention and Visitors Bureau (RCVB)), John Kruesel (Citizen), Andy Krogstad (MCC), Tom Leimer (Knutson Construction), Brian Moser (Titan Development), Gary Neumann (City Administration), Mike Nigbur (Parks & Rec), Erin O'Brien (KTTC), Jo Oeltjen (MCC), Randy Petersen (Post Bulletin), Chris Powers (Front Burner Spat), Catherine Richert (MPR News), Abe Sauer (Self), Paul Scanlon (Park Board), Mark Steege (Titan Development), Paul Widman (Parks & Rec), Laura Woolworth (MCC)

A. Call to Order

0:00 Audio Tape

The meeting was called to order by Marv Mitchel, Chair, at 3:00 PM

B. Approval of Agenda

00:15 Audio Tape

Motion to approve the agenda was made by Dan Nelson, Second by Amita Patel. Motion was approved.

C. Open Comment Period

00:32 Audio Tape

Susan Walton, Division Chair for Community Public Affairs at Mayo Clinic, stated Mayo Clinic supported the PricewaterhouseCoopers analysis for the new proposed sport and entertainment venue. Mayo Clinic's support of the process and the project reflects Mayo's historic commitment for supporting venues that afford people from Rochester and from the region access to entertainment opportunities that strengthen their quality of life. This is a tradition begun by Dr. Charlie Mayo and Mayo Clinic in the late 1930's when they gave money to support the building of what is now Presentation Hall and the Civic's Auditorium. Mayo Clinic shares the great sense of pride we all have in Rochester and we support this opportunity to build an even more vibrant community.

John Kruesel addressed his comments to Marv Mitchell, Mayo Civic Center Commission (MCCC) Chair, What guarantees will the Community have that no park space is given up for this project, if it is to be developed? How would the parking and transportation issues be resolved? John reminded everyone that every consultant that has funded have said to accentuate the river, make sure that things are of human scale, do not overpower the river with tall buildings and/or parking ramps. John wanted to know what the recommendations are from this committee relative to how the parking issues are going to be addressed with now and in the future because there are multiple conversations of having some ramps going next to the river. Marv Mitchell stated this meeting is the first viewing the MCCC will have of the proposal. Some of the Commission members saw the plan at the Rochester Convention and Visitors Bureau (RCVB) meeting earlier today and it showed no encroachment to Mayo Park at this point and the parking was talked about at the RCVB meeting and realized that was an issue, but it has not been addressed yet because the proposal hasn't gone far enough to get into that issue. As the process goes forward these issues will be talked about. John Kruesel asked for some transparency on this – a

meeting during the day is not an inviting time for the general public to be able to come and be kept informed. Marv Mitchell's assumption is that as the process moves along, there will be public hearings on this. The design and building program are not part of today's presentation as stated by the PricewaterhouseCoopers representative. Brad Jones stated that there is nothing in the recommendations that would go outside the current footprint of the Mayo Civic Center. Brad Jones stated that there is a community discussion that will happen about – one of the things being looked at as part of the Arena project is an operable wall that can open into the park. The Arena project is being designed as in the current footprint of the Mayo Civic Center – it is in concept at this point.

D. Consent Agenda

6:20 Audio Tape

- a. Approval of 2018 – 2020 Strategic Plan
Pulled from the Consent Agenda by Amita Patel
- b. Meeting Minutes
 - i. August 9, 2017
- c. Committee Reports
 - i. Marketing
 - ii. Finance
 - iii. Food and Beverage
- d. Director's/Staff Report
- e. Sales Report

Motion to approve the consent agenda with the 2018-2020 Strategic Plan being pulled was made by Dan Nelson, Second by Amita Patel. Motion was approved.

Donna Drews introduced Adam Lien as the new Mayo Civic Center's Production Supervisor.

Amita wanted to discuss that scope of things. In the Strategic Plan, Objective #1 - Generate new sales to increase revenue, item #3 - Maximize the revenue opportunities through ancillary services. Metric – Review, revise and expand revenue sources, policies, and procedures to assure sustainable growth, maximum value and net gain. Amita wants to make sure we have some flexibility in pricing. – based on the total worth of business and then discount from there. Objective #3, Item #3 - Engage local/community partners, stakeholders and citizens to ensure accessibility, safety, livability and economic vitality, Item #1 - Build trust by actively engaging local stakeholders, civic, charitable, philanthropic and trade organizations that support the community. Achieve this by: MCC Commission to conduct an open comment forum by inviting the public to comment on MCC, its functions operation. Amita stated the community needs to be educated on what the Mayo Civic Center and the RCVB does and what they bring to the community. How they generate revenue for the community and how our efforts really do bring back into the community. Next objective – Provide exceptional service for every customer. Do we know what percentage of our customers respond to our survey?

Action – Donna – Percentage of customers who respond to our survey

Motion by Amita Patel to approve the 2018-2020 Strategic Plan, Second by Heidi Mestad. Motion approved.

E. Review Action Items from August 9, 2017 Meeting

13:10 Audio Tape

ACTION - Finance Committee to determine what the metric should be for Generate new sales to increase revenue, Develop long-term initiatives to increase city-wide, Priority 1 bookings.

ACTION – Ancillary target needed for Generate new sales to increase revenue, Review all revenue source policies and procedures for sustainable growth, maximum value and net gain.

ACTION – Finance Committee to develop list of CIP future needs (i.e. roof replacement, etc.) and discuss lodging tax.

ACTION - Complete a competitive analysis of rental items to determine if the rental costs are competitive.

ACTION – Donna Drews to update the plan and put in on the consent agenda for September.

The Finance Committee met about ten days ago and discussed the above ACTION items. The items are part of the overall Strategic Plan. There will be a further update after the next Finance Committee meeting.

F. New Business

14:42 Audio Tape

a. PricewaterhouseCoopers LLP(PWC) Sport & Entertainment Arena Analysis Presentation

This is the first time most of the Mayo Civic Center Commissioner members have seen this presentation. A couple of the Commissioners saw it earlier today at the RCVB meeting. Adam Jones from PricewaterhouseCoopers presented the information. Adam presented the keys findings around a preliminary assessment of potential impacts on the community resulting from the proposed sport and entertainment arena that would, as envisioned today, replace the Taylor Arena within that existing footprint and be an integrated component of the Mayo Civic Center. The scope of this assessment was two-fold; one to assess community impact during the period of construction (which would most likely be a two- to three-year period) and then assessing community impact during a stabilized year of operation of the enterprise. Adam Jones discussed the impacts analyzed – total output (economic impact), employment, labor income, taxes. The impacts were from a state and local perspective. Costs of the project were discussed. Estimated attendance was discussed. The competitive environment was defined on a geographical basis – 90 minute drive-time radius, the landscape is very competitive today. The project would be both public and privately funded.

Brad Jones, Executive Director of the Rochester Convention and Visitors Bureau, talked about the next steps – a group supported with City staff to start to march through the details, start to engage the private sector in how they can participate in this, the Commission and the City has to come up the an RFP process – a group to define this, details need to be published to the private sector. Brad Jones sees some type of taskforce to do this. The building must continue to be owned by the City of Rochester.

The seating capacity would be about 62,500 with fixed seat and about 72,500 capacity on a flat floor configuration. This is a market-derived assumption by PricewaterhouseCoopers. The major competition would be from Mankato, LaCrosse, The Target and Excel Centers.

How will parking be addressed – this hasn't been addressed, but is a critical component. Brad Jones – talked that the new parking ramp will help; the events are typically evening events and this would help with parking. The City's Master Plan calls for an additional 1,200 parking spaces.

The next step would be to forward this to the Rochester City Council to request the formation of a taskforce.

Current question who owns the process – The City Council owns the process. Do you want to forward this to the City Council? Ask for the permission to plan.

Marv Mitchell asked Donna Drews, MCC Executive Director, for her input. Donna said that Taylor Arena opened in 1986, and there aspects that could be improved. The Arena has weaknesses – capacity is smaller in comparison to LaCrosse and Mankato, lack of a rigging grid creates inefficiencies and frustration, and support areas such as inadequate concession stands, dressing rooms and back of house access affect make operations difficult. Challenges – we are in highly competitive markets, Target and Xcel Centers, US Bank Stadium, Target Field and TCF Stadium get the big shows now, and that will probably continue well into the future.

Brad Jones stated that the RCVB has shepherded this for the last couple of years to get it to where it is today. The Mayo Civic Center is a city-owned entity. Marv Mitchell asked Brad what the charge for a taskforce would be. Brad responded that the taskforce would put together the details for an RFP. Gary Neumann talked about who owns the process – at the end of the day, the City Council owns the process. The next step would be for the MCC Commission to make a recommendation to the City Council that a taskforce be formed to study the possibility of replacing the Arena. The taskforce should have representation from the City Council, the Mayo Civic Center Commission, the Rochester Convention and Visitors Bureau and the Parks & Recreation Department.

A motion was made to move this to the City Council to request the creation of a task force for this project was made by Heidi Mestad, Second by Amita Patel. Motion was approved.

G. Unfinished Business

None

H. Other Business

None

I. Adjournment

01:09:19 Audio Tape

Marv Mitchell, Chair, adjourned the meeting at 4:10 PM.

Next Meeting: Wednesday, October 11, 2017 at 3:00 PM