

300 Third Avenue NE Cambridge, MN 55008

(763) 689-3211 (763) 689-6801 FAX www.ci.cambridge.mn.us

March 5, 2015

TO:

Cambridge City Council & Parks, Recreation and Trails Commission

FROM:

Lynda Woulfe, City Administrator

SUBJECT:

Joint Meeting with City Council and Planning Commission

Background

The City Council previously approved going out for bids for refrigerated ice rinks on City owned land on East Rum River Drive (next to Central Greens). About the time the City was going to go out for bids, staff was contacted by a Curling Club representative about the potential to erect a curling club at the same location and share the refrigeration for making ice.

I asked Council permission to work with representatives from the Curling Club to flesh out the possibilities. Council indicated that discussions could occur and information for a project decision should be brought back to Council and potentially Parks, Recreation and Trails Commission if the location affected park planning. The initial discussions with the Curling Club have been held and I am bringing this issue back before Council.

The Curling Club is looking to build a new club house with four lanes for curling. The Curling Club met with representatives from Cambridge Isanti Hockey Association about how the two groups could work together and the potential to do this project as a design build with volunteer labor to reduce costs. Discussions had been held on how the concession area and bathrooms in the Curling Club could be used for hockey tournaments. Discussions have been held on what the City would use the Curling Club for the six months of the year that curling was on hiatus – reception venue, large meetings, wine tastings, business expos, etc.

The Curling Club would need the City or EDA to issue either a lease revenue bond to pay for the construction of the club. Under this concept, the Curling Club would lease the facility from the City for the curling season. The revenue from the lease with the City would assist in paying back the bonds but would not cover the entire bond payment. Since the Council has not given authority to work out these details yet, I am not certain what an agreement of this nature would look like. I do know that if the City issued a lease revenue bond for the project in the amount of \$1.6 million and paid it back over a 15 year period, the annual debt service payment is approximately \$142,000 per year.

I encourage you to look strongly at this possibility. Numerous communities (Lindstrom, Brainerd, Blaine, etc.) have issued lease revenue bonds to make improvements like this happen. The City spent over \$2.4 million in constructing Sandquist Park and you know the economic impact that has on a community. The tournaments at Sandquist Park bring numerous people to our community that shop in the local stores and eat at local restaurants. The construction of refrigerated rinks and a Curling Club could have the same impact in the winter. It also has the potential to attract a hotel developer

because there would be more year-round business given the potential for hockey tournaments and bonspiels.

The goal for tonight's meeting is to determine whether or not the City would like to have additional discussions on this project with the understanding that it will require the City to issue debt to make the investment in the curling club.

Also included in this packet for additional background information is:

Park Funding Available Memo to Parks, Recreation, and Trails Commission on the rinks Potential layout for the rinks and curling club Proposed look of the Curling Club and lane design

2015 Park Dollars

2015 Funds available	2015 Funds Source
\$452,451	Funds from Aldi land sale
\$52,506.95	City Park designated funds
	2014 Balance was \$123,912.38
	Money spent on amphitheater/picnic shelter, play
	equipment, disc golf
\$76,610	Park Capital Fund (started to fund equipment replacement)
	2014 Balance was \$87,571.00
	Money spent on rough grading ice rinks and engineering work
	for ice rinks
\$161,915	Park Capital Funds (undesignated)
	Contributions from Northbound Liquor and Transfer from City's
	General Fund for park improvements
\$60,347	Park Dedication Fund
\$150,000	2014 General Fund Carryover into 2015
	The City has lower expenditures and higher revenues than
	anticipated in 2014. Of the total amount available, the City Council
	decided to dedicated \$150,000 towards park improvements.

\$751,323-Available funds for park development \$52,506.95-City Park designated funds

The City accepted the DNR grant and will spend the \$150,000 in matching funds so available funds will be:

\$653,829.95

Available for park development

\$0

City Park designated funds

After Council's action on March 2, 2015

\$653,829.95

\$150,000.00

\$803,829.95

Estimated costs of hockey rinks \$1.2 million

Prepared by: Marcia Westover

Overview

The City Council approved the site plan for the proposed hockey rinks at Heritage Greens Park and staff is working on obtaining bids for grading the site. Council wanted to see two full sized tennis courts on the plan as previously discussed. The two tennis courts are now shown on the plan.

Staff is still pursuing the idea of using one or both of the hockey rinks in the summer as tennis courts. Using the rinks for this dual purpose will provide the city with the immediate need for the hockey rink and tennis court that will need to be replaced due to the future removal of the rink at the Cambridge Isanti School District 911 Transportation property and the tennis court at City Park. The dual purpose rink will be a lower cost solution and future tennis courts can still be constructed if the Parks Commission and Council make that decision in the future when funds are available.

The cost for a tennis court inside the hockey rink is approximately \$1700. This includes the nets, posts, inserts for the posts, and paint. Arena Systems simply needs to know we want the courts so they can build to suit and place the holes for the poles. The cost for one new stand-alone tennis court is approximately \$45,000 (including playing surface, striping, fencing, post and net, and lighting).

The projected cost from Arena Systems for the two refrigerated hockey rinks is attached. The estimated cost is \$1,250,000. The cost for the rink boards is \$75,000 to \$90,000 per rink for new boards. Used boards are approximately half of the cost but are very difficult to find because they go so fast. The cost for lighting is approximately \$100,000 and includes sport lighting to light the rinks, parking lot lighting, and security lighting around the park. We could do a five year lease on the lights and pay less up front than the outright full amount.

The Cambridge-Isanti Hockey Association recently donated \$750 toward rink construction. Staff met with the Hockey Association to discuss further efforts to help fund the rinks. They indicated they could volunteer labor and seek out sponsors to help pay for the boards by advertising on them. We will be meeting with them again this winter to discuss more ideas for funding.

Commission Action

The Commission should advise staff if it wants to continue to pursue the tennis court idea inside the hockey rink.

Attachments

Heritage Greens Park site plan Arena Systems proposal for refrigerated rinks Layout of tennis court in a hockey rink Pictures of dual purpose rinks

October 29, 2014

TO:

Parks, Recreation, and Trails Commission

FROM:

Lynda Woulfe, City Administrator

SUBJECT:

Hockey Rinks - Improvements to City Park - Role of Parks Commission

After the last Parks Commission meeting, Marcia approached me about providing some additional history for the Parks Commission on the hockey rinks, City Park improvements (tennis courts), and the role of the Parks, Recreation and Trails Commission. I provide this memo in hopes it will make things clearer for all Commission members.

Hockey Rinks – Ice Sheets

The City Council picked these as priorities for the community based upon available funding, park improvements already made, and needs for the community. The City Council held a two day fall retreat to discuss City operations and goals for the future. The City Council developed a one to three and three plus years priorities. This was done in light of all things that have already been accomplished, funding available, and the desire to build a strong community for all ages.

With respect to the hockey rinks, the Council chose that as a top priority for these reasons:

- 1. The current hockey and general skating rink is not on City property it is on District 911 property.
- 2. The School warned the City of the need to move the rinks back in 2009.
- 3. The City put the hockey rink needs on hold until Sandquist Park had sufficient softball and baseball fields to handle existing teams and tournaments.
- 4. No improvements have been made to the hockey rinks due to the understanding the rinks must be moved.

The City used to maintain a general rink and a warming house located on land near the Intermediate school and owned by the school district. At that time there were also two hockey rinks at the transportation building (bus garage). The lights at the general rink deteriorated to a point where they needed to be replaced and the school district didn't want to replace them. That ultimately eliminated the general rink. In addition, one of the hockey rinks at the transportation building (bus garage) deteriorated to a point where it also needed to be removed and the city could not get the funds to replace it. That area was leveled for the skateboard park and general rink. The new general rink is about 1/3 the size of the former general rink near the Intermediate school.

About five years ago City staff met with District staff on their plans to make improvements to the transportation building (bus garage). When the first phased happened, it took out a baseball field. They indicated the next phase would require relocation of the hockey rinks. Since that time, this issue has been before the Parks Commission asking the Commission to identify a different location for the ice sheets.

The Parks Commission picked the location and a site grading plan was developed not only for the layout of hockey/skating rinks but also for future tennis courts. The School District has notified staff that they are planning another expansion of the transportation building in 2015. The hockey rinks have to be moved prior to the ice season in 2015.

The City is working with the Cambridge Isanti Hockey Association to build this project. The Council has not committed to building two refrigerated rinks. However, the Council has directed that staff solicit bids for two refrigerated rinks so the Hockey Association can begin the fundraising process for completing second rink. At this time, the Council's direction was to install the concrete pads and tubing for two refrigerated rinks and size the equipment to accommodate two rinks.

With respect to refrigerated and unrefrigerated ice, staff's recommendation to Council was for refrigerated rinks. Staff looked back at the last six – seven years on how long ice has held, when the City was able to get its first skateable ice, and when the rinks had to be closed due to the ice being too soft. The average time for skateable ice was five to six weeks. The expense of flooding, rink maintenance, warming house, etc. didn't match the length of time ice was skateable. With refrigerated ice, there can be skateable ice for at least 10-12 weeks. The Council reviewed this information and decided it made sense to put in refrigerated rinks. The Council also sees the future potential of more than hockey being done on these rinks. There could also be broomball leagues, pick up games, and, when two sheets are available, hockey tournaments. Tournaments bring in great revenue to the City's merchants.

These improvements will be paid for by land sales from the Spirit River retail development and Parks funding as set aside in the City's long range plan. There are additional sales pending at the Spirit River retail development and the proceeds from these sales must be invested in parks (a requirement of the former DNR grant).

City Park Improvements - Tennis Courts

The tennis court at City Park will someday be removed for parking. This is probably two years away based upon dollars available and parks funding (probably in conjunction with the 2016 street project). The City will continue to apply for grants to speed up the schedule of improvements to City Park, but grants are extremely competitive and difficult to get.

I hope the City can have at least one tennis court in place to replace the one at City Park before it is demolished. During the open house being held by the Parks Commission this fall, it would be important to talk with citizens about where they feel is the best place to locate one or two tennis courts. The Parks Commission can then make a recommendation to the City Council as to

location and number. The City Council can then consider that recommendation as part of its long range plan and begin to identify the funding needed for implementation. If there is an organization that promotes tennis in Cambridge, the City should connect with them to see if they would be willing to do some fundraising for these facilities just like CI Hockey is doing for the second rink.

The City will continue to identify funding sources for City Park improvements. The disc golf and new playground are already installed. The smaller picnic shelter / amphitheater facility will be installed in the spring. The city will continue to work on purchasing properties to increase parking availabilities.

Role of Parks, Recreation, and Trails Commission

Pursuant to City Code, the Parks, Recreation and Trails Commission is an advisory commission. You are to advise the City Council on recreation items. The code specifically states:

§ 32.48 DUTIES AND POWERS.

- (A) *Purpose.* The Commission is established to review and to make recommendations to the City Council on the development and organization of the city parks, trails and recreation programs.
- (B) Duties. The Commission shall prepare, hold hearings on and recommend to the City Council such plans, programs and policies as it deems necessary to carry out the purposes of this subchapter. Such powers shall include, but not be limited to, the study of and recommendation to the City Council on the following:
- (1) To hold meetings of its members, to consider such matters pertaining to parks, trails and public recreation programs in the city as shall be referred to the Commission by the Council, or as the members of the Commission themselves deem proper.
- (2) Recommend capital park and trail projects to Council subject to available funding sources.
 - (3) Recommend policies affecting the use of the city's park and trail system.
- (4) Recommend the allocation of park fields in a fair and equitable manner, based on recommendations from users and city staff.
- (5) Work with a variety of organizations to ensure the offering of an appropriate array of recreation opportunities for the youth and adults of the city.
- (6) Prepare and recommend a comprehensive plan for the future development of the city park, recreation and trail system, to be submitted to the City Council for

implementation, and to maintain said plan, and recommend amendments of the plan to the City Council, as may become necessary or desirable.

- (7) To act in an advisory capacity to the Council in all matters relating to a park, recreation and trail programs in the city.
- (8) Any other plans and programs as may be assigned by the City Council from time to time.

Therefore, the City Council does have authority to determine the priority of park, recreation, and trail improvements since the Commission is an advisory commission. The Council does appreciate recommendations from the Parks Commission and does want your input. However, the Council is the body that is very aware of the City's budgeting needs and the Council's long range financial plan. They must make the decisions on how to spend dollars City wide and need to balance the priorities of all City department and operations. Without knowing the details of these items, I understand it can be difficult for Commission members to understand the Council's priorities but please understand it is a delicate balance of past history, present and future funding, and the Council's goals for the community. Your help in achieving these goals are deeply appreciated.

\$1,680,000 Lease Revenue Bonds, Series 2015 Assumes Current Market BQ "AA-" Rates (150 bps over G.O. Rates)

Sources & Uses

Dated 09/01/2015 | Delivered 09/01/2015

Source		

Par Amount of Bonds	\$1,680,000.00
Additional required Equity contribution	38,600.00
Total Sources	\$1,718,600.00
Uses Of Funds	
Total Underwriter's Discount (1.500%)	25,200.00
Costs of Issuance	47,000.00
Deposit to Debt Service Reserve Fund (DSRF)	142,387.50
Deposit to Project Construction Fund	1,500,000.00
Rounding Amount	4,012.50
Total Uses	\$1,718,600.00

\$1,680,000 Lease Revenue Bonds, Series 2015 Assumes Current Market BQ "AA-" Rates (150 bps over G.O. Rates)

Debt Service Schedule

Fiscal Total	Total P+I	Interest	Coupon	Principal	Date
-	-	-	-	-	09/01/2015
139,823.96	139,823.96	24,823.96	2.050%	115,000.00	02/01/2016
-	28,610.00	28,610.00	-	-	08/01/2016
142,220.00	113,610.00	28,610.00	2.250%	85,000.00	02/01/2017
-	27,653.75	27,653.75	-	-	08/01/2017
140,307.50	112,653.75	27,653.75	2.500%	85,000.00	02/01/2018
-	26,591.25	26,591.25	-	-	08/01/2018
138,182.50	111,591.25	26,591.25	2.700%	85,000.00	02/01/2019
-	25,443.75	25,443.75	-	-	08/01/2019
140,887.50	115,443.75	25,443.75	2.900%	90,000.00	02/01/2020
-	24,138.75	24,138.75	-	-	08/01/2020
138,277.50	114,138.75	24,138.75	3.150%	90,000.00	02/01/2021
-	22,721.25	22,721.25	-	-	08/01/2021
140,442.50	117,721.25	22,721.25	3.350%	95,000.00	02/01/2022
-	21,130.00	21,130.00	-	-	08/01/2022
142,260.00	121,130.00	21,130.00	3.500%	100,000.00	02/01/2023
-	19,380.00	19,380.00	-	-	08/01/2023
138,760.00	119,380.00	19,380.00	3.600%	100,000.00	02/01/2024
-	17,580.00	17,580.00	-	-	08/01/2024
140,160.00	122,580.00	17,580.00	3.750%	105,000.00	02/01/2025
-	15,611.25	15,611.25	-	-	08/01/2025
141,222.50	125,611.25	15,611.25	3.850%	110,000.00	02/01/2026
-	13,493.75	13,493.75	-	-	08/01/2026
141,987.50	128,493.75	13,493.75	4.000%	115,000.00	02/01/2027
_	11,193.75	11,193.75		-	08/01/2027
142,387.50	131,193.75	11,193.75	4.150%	120,000.00	02/01/2028
-	8,703.75	8,703.75	-	-	08/01/2028
137,407.50	128,703.75	8,703.75	4.400%	120,000.00	02/01/2029
-	6,063.75	6,063.75	-	-	08/01/2029
142,127.50	136,063.75	6,063.75	4.500%	130,000.00	02/01/2030
-	3,138.75	3,138.75	-	-	08/01/2030
141,277.50	138,138.75	3,138.75	4.650%	135,000.00	02/01/2031
-	\$2,247,731.46	\$567,731.46	-	\$1,680,000.00	Total

Yield Statistics

Bond Year Dollars	\$14,245.00
Average Life	8.479 Years
Average Coupon	3.9854788%
Net Interest Cost (NIC)	4.1623830%
True Interest Cost (TIC)	4.1671206%
Bond Yield for Arbitrage Purposes	3.9471573%
All Inclusive Cost (AIC)	4.5911280%

IRS Form 8038

Net Interest Cost	3.9854788%
Weighted Average Maturity	8.479 Years

Sries 2015 Lease Rev Bond | SINGLE PURPOSE | 1/15/2015 | 10:09 AM



\$1,680,000 Lease Revenue Bonds, Series 2015 Assumes Current Market BQ "AA-" Rates (150 bps over G.O. Rates)

Debt Service Schedule

	Principal	Coupon	Interest	Total P+I	DSR	Net New D/S	Fiscal Total
09/01/2015	-	-	-	-	-	-	-
02/01/2016	115,000.00	2.050%	24,823.96	139,823.96	(593.03)	139,230.93	139,230.93
08/01/2016	-	-	28,610.00	28,610.00	(711.94)	27,898.06	-
02/01/2017	85,000.00	2.250%	28,610.00	113,610.00	(711.94)	112,898.06	140,796.12
08/01/2017	-	-	27,653.75	27,653.75	(711.94)	26,941.81	-
02/01/2018	85,000.00	2.500%	27,653.75	112,653.75	(711.94)	111,941.81	138,883.62
08/01/2018	-	-	26,591.25	26,591.25	(711.94)	25,879.31	-
02/01/2019	85,000.00	2.700%	26,591.25	111,591.25	(711.94)	110,879.31	136,758.62
08/01/2019	-	-	25,443.75	25,443.75	(711.94)	24,731.81	-
02/01/2020	90,000.00	2.900%	25,443.75	115,443.75	(711.94)	114,731.81	139,463.62
08/01/2020	-	-	24,138.75	24,138.75	(711.94)	23,426.81	-
02/01/2021	90,000.00	3.150%	24,138.75	114,138.75	(711.94)	113,426.81	136,853.62
08/01/2021	-	-	22,721.25	22,721.25	(711.94)	22,009.31	-
02/01/2022	95,000.00	3.350%	22,721.25	117,721.25	(711.94)	117,009.31	139,018.62
08/01/2022	-	-	21,130.00	21,130.00	(711.94)	20,418.06	-
02/01/2023	100,000.00	3.500%	21,130.00	121,130.00	(711.94)	120,418.06	140,836.12
08/01/2023	-	-	19,380.00	19,380.00	(711.94)	18,668.06	-
02/01/2024	100,000.00	3.600%	19,380.00	119,380.00	(711.94)	118,668.06	137,336.12
08/01/2024	-	-	17,580.00	17,580.00	(711.94)	16,868.06	-
02/01/2025	105,000.00	3.750%	17,580.00	122,580.00	(711.94)	121,868.06	138,736.12
08/01/2025	-	-	15,611.25	15,611.25	(711.94)	14,899.31	-
02/01/2026	110,000.00	3.850%	15,611.25	125,611.25	(711.94)	124,899.31	139,798.62
08/01/2026	-	-	13,493.75	13,493.75	(711.94)	12,781.81	-
02/01/2027	115,000.00	4.000%	13,493.75	128,493.75	(711.94)	127,781.81	140,563.62
08/01/2027	-	-	11,193.75	11,193.75	(711.94)	10,481.81	-
02/01/2028	120,000.00	4.150%	11,193.75	131,193.75	(711.94)	130,481.81	140,963.62
08/01/2028	-	-	8,703.75	8,703.75	(711.94)	7,991.81	, -
02/01/2029	120,000.00	4.400%	8,703.75	128,703.75	(711.94)	127,991.81	135,983.62
08/01/2029	-	-	6,063.75	6,063.75	(711.94)	5,351.81	-
02/01/2030	130,000.00	4.500%	6,063.75	136,063.75	(711.94)	135,351.81	140,703.62
08/01/2030	-	-	3,138.75	3,138.75	(711.94)	2,426.81	-
02/01/2031	135,000.00	4.650%	3,138.75	138,138.75	(143,099.44)	(4,960.69)	(2,533.88)
Total	\$1,680,000.00	-	\$567,731.46	\$2,247,731.46	(164,338.73)	\$2,083,392.73	-
Significant D	ates						
Dated First Coupon Da	te						9/01/2015 2/01/2016
Dated First Coupon Da Yield Statisti	ics						2/01/2016
Dated First Coupon Da Yield Statisti Bond Year Dolla	ics						2/01/2016 \$14,245.00
Dated First Coupon Da Yield Statisti Bond Year Dolla Average Life	te ics ars						2/01/2016 \$14,245.00 8.479 Years
Dated First Coupon Da Yield Statisti Bond Year Dolla	te ics ars						2/01/2016 \$14,245.00 8.479 Years
Dated First Coupon Da Yield Statisti Bond Year Dolla Average Life	te ics ars						\$14,245.00 8.479 Years 3.9854788%
Dated First Coupon Da Yield Statisti Bond Year Dolla Average Life Average Coupon	te ics ars t (NIC)						\$14,245.00 8.479 Years 3.9854788% 4.1623830%
Dated First Coupon Da Yield Statisti Bond Year Dolla Average Life Average Coupon Net Interest Cost True Interest Cost	te ics ars t (NIC)						\$14,245.00 8.479 Years 3.9854788% 4.1623830% 4.1671206%
Dated First Coupon Da Yield Statisti Bond Year Dolla Average Life Average Coupon Net Interest Cost True Interest Cost	te ics urs t (NIC) st (TIC) Arbitrage Purposes						2/01/2016 \$14,245.00 8.479 Years 3.9854788% 4.1623830% 4.1671206% 3.9471573%
Dated First Coupon Da Yield Statisti Bond Year Dolla Average Life Average Coupon Net Interest Cost True Interest Cost Bond Yield for A	te ics ars t (NIC) st (TIC) Arbitrage Purposes st (AIC)						\$14,245.00 8.479 Years 3.9854788% 4.1623830% 4.1671206% 3.9471573%
Dated First Coupon Da Yield Statisti Bond Year Dolla Average Life Average Coupon Net Interest Cost True Interest Cost Bond Yield for A All Inclusive Cost	te ics urs t (NIC) st (TIC) Arbitrage Purposes st (AIC)						
Dated First Coupon Da Yield Statisti Bond Year Dolla Average Life Average Coupon Net Interest Cost True Interest Cost Bond Yield for A All Inclusive Cost IRS Form 80	te ics urs t (NIC) st (TIC) Arbitrage Purposes st (AIC)						\$14,245.00 8.479 Years 3.9854788% 4.1623830% 4.1671206% 3.9471573% 4.5911280%



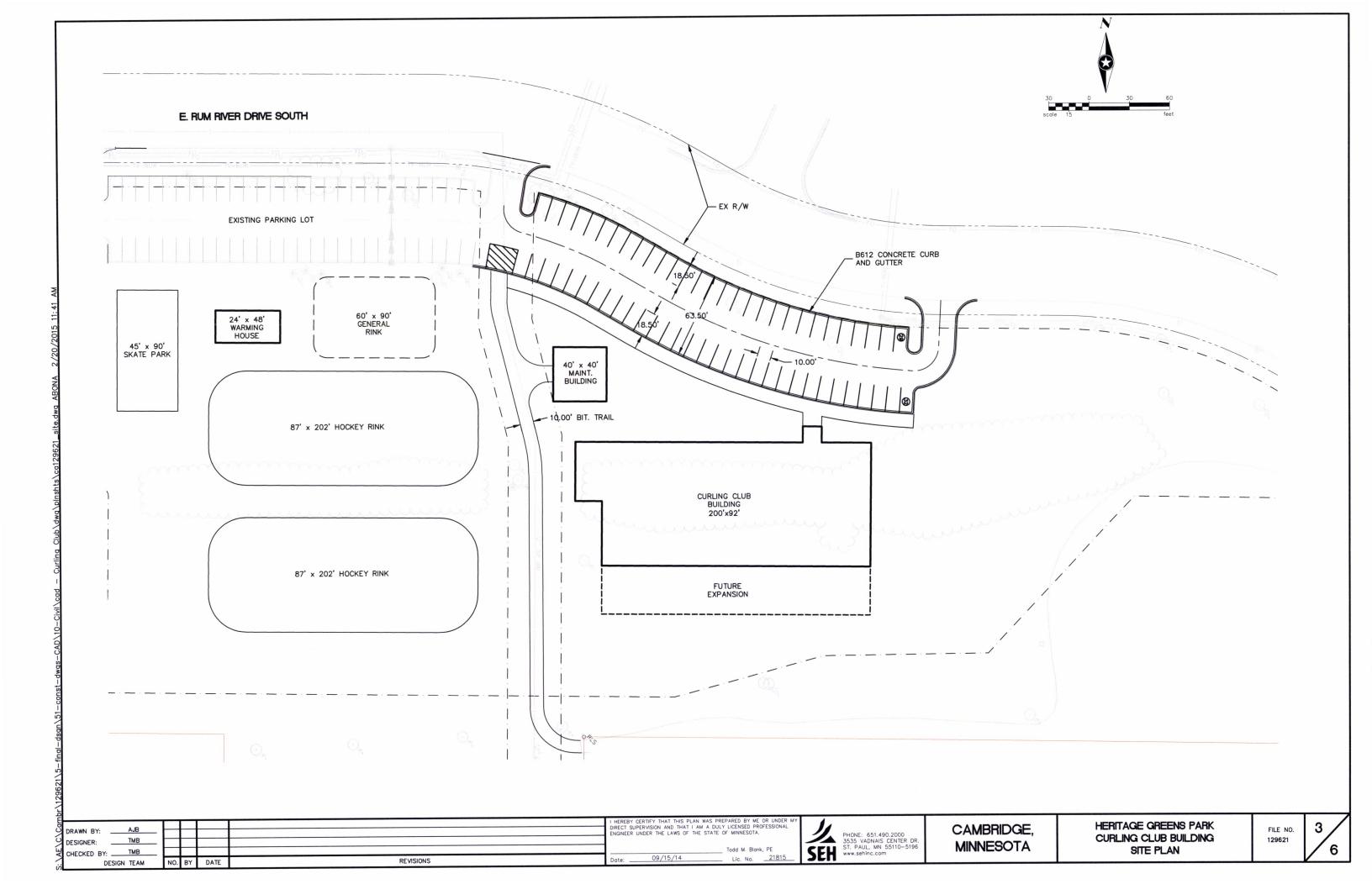
\$1,680,000 Lease Revenue Bonds, Series 2015 Assumes Current Market BQ "AA-" Rates (150 bps over G.O. Rates)

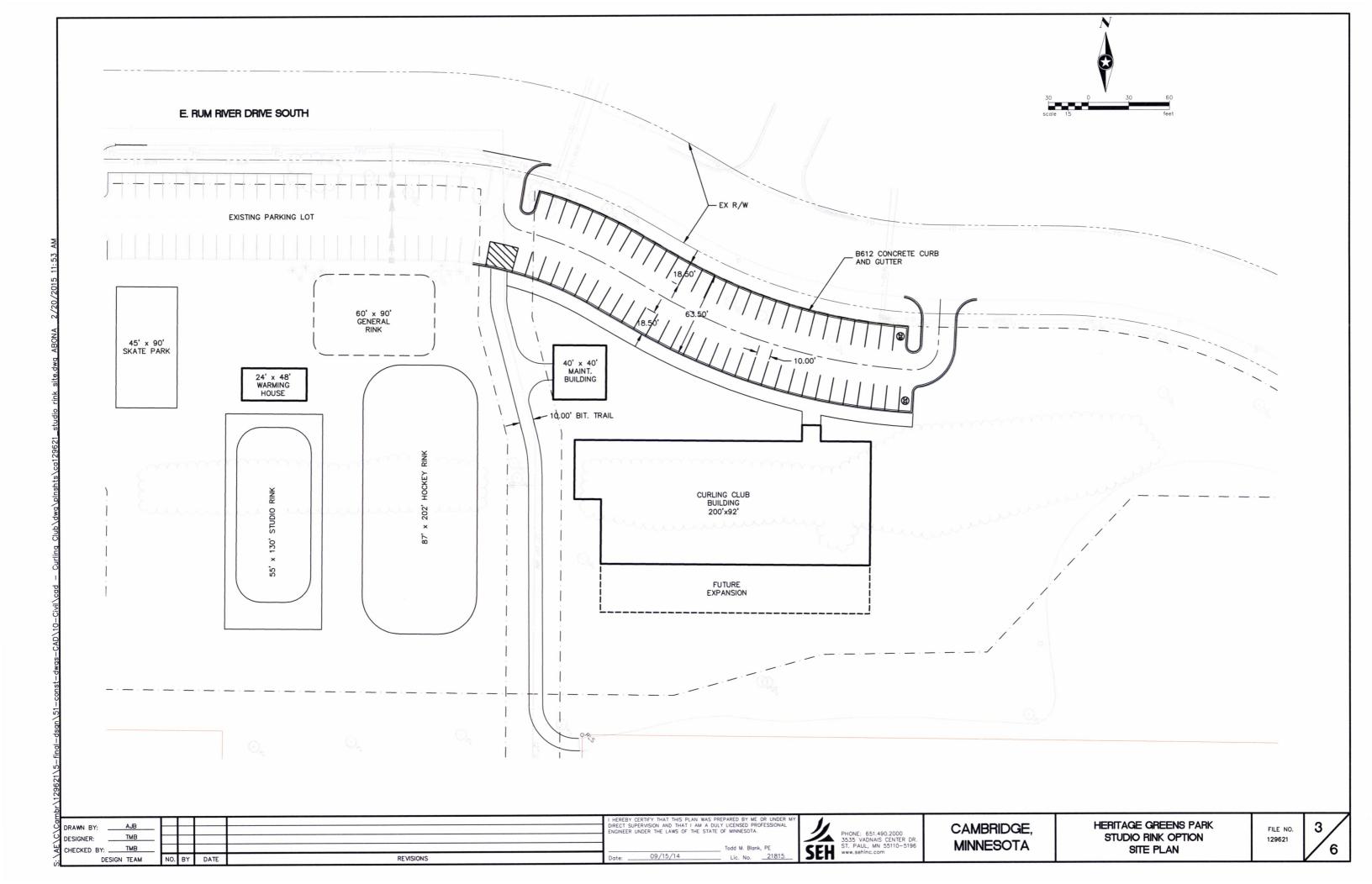
Proof of Reserve Fund Requirement

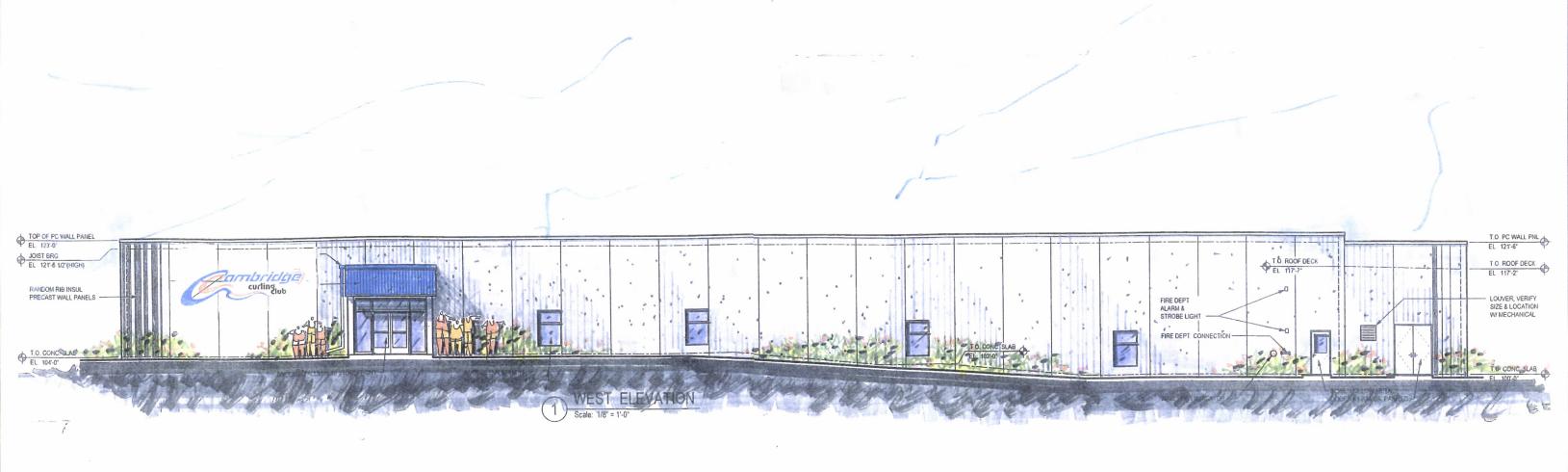
Date	Principal	Interest	TOTAL P+I
02/01/2016	115,000.00	24,823.96	139,823.96
02/01/2017	85,000.00	57,220.00	142,220.00
02/01/2018	85,000.00	55,307.50	140,307.50
02/01/2019	85,000.00	53,182.50	138,182.50
02/01/2020	90,000.00	50,887.50	140,887.50
02/01/2021	90,000.00	48,277.50	138,277.50
02/01/2022	95,000.00	45,442.50	140,442.50
02/01/2023	100,000.00	42,260.00	142,260.00
02/01/2024	100,000.00	38,760.00	138,760.00
02/01/2025	105,000.00	35,160.00	140,160.00
02/01/2026	110,000.00	31,222.50	141,222.50
02/01/2027	115,000.00	26,987.50	141,987.50
02/01/2028	120,000.00	22,387.50	142,387.50
02/01/2029	120,000.00	17,407.50	137,407.50
02/01/2030	130,000.00	12,127.50	142,127.50
02/01/2031	135,000.00	6,277.50	141,277.50
Total	\$1,680,000.00	\$567,731.46	\$2,247,731.46

PROOF OF RESERVE FUND

MAXIMUM PERIODIC DEBT SERVICE	
100 % of the Maximum Periodic Debt Service	142,387.50
AVERAGE PERIODIC DEBT SERVICE	
Total P+I	2,247,731.46
Bond Years (Delivery Date)	15.42
125 % of the Average Periodic Debt Service	182,248.50
PERCENT OF PAR	
10 % of Par	168,000.00
RESERVE REQUIREMENT	
Computed Requirement	142,387.50
Proof's Requirement	142,387.50







CAMPOPIDGE CUPLING CLUB IMAGE SKETCH.

WEST ELEVATION. CAMBRIDGE MN.

