

Pursuant to due call and notice thereof, a Council Work Session of the North Mankato City Council was held in the North Mankato Police Annex on January 13, 2020. Mayor Dehen called the meeting to order at 12:00 p.m. The following were present for roll call: Mayor Dehen, Council Members Oachs, Whitlock, Steiner, and Oachs, City Administrator Harrenstein, Finance Director McCann, and City Clerk Van Genderen.

Receive Update on North Mankato Transit

Finance Director McCann presented the North Mankato Transit Update. The update reviewed the history of transit in North Mankato, the New Service Expansion levels fixed route and mobility, Ruby Ride Pilot, Transit goals, and proposed action for 2020. North Mankato transit from the mid-1980s to 2017 included morning, noon, and late afternoon hours to focus on commuter and student needs. The 2017 Transit Development Plan (TDP) was completed and focused on improving access, leveraging technology, improving rider dignity, and creating flexibility. Through the TDP process, the City of North Mankato became interested in flex zone options and micro transit. The City hired SRF Consulting to assist with exploring micro-transit providers including Uber, Lyft, Via, and Ruby Ride. Ruby Ride responded to the request for proposals and began a 1-year pilot program in North Mankato. In 2018, Mankato transit received a New Service Expansion Grant (NSE) to cover the additional costs to provide all-day transit in North Mankato at no additional expense.

The NSE began in late August 2018 and ran through December 2019. Ridership pre-NSE for fixed-route was 13,846, compared to 15,750 post NSE. Ridership pre-NSE Mobility Service level was 760, compared to 1,340 post NSE. The results of the changes included increased total ridership of 14%, decreased riders per hour of -37%, increased full cost per trip 60%, the mobility service levels increased total ridership by 76%, ridership per hour was steady at -1%, and the cost per trip was steady at 1%. The study also showed that less than 30% of riders are North Mankato residents. Mayor Dehen remarked that many riders were coming from Mankato into North Mankato to work.

Finance Director McCann reviewed the Ruby Ride pilot which has had a total ridership of 1,602 since July 1, 2019. The total cost for the year is \$32,841, with the City's cost \$13,217. The average riders per hour are 1.14, with cost per trip \$12.25 with the City paying \$8.25. Strengths include riders like the service; drivers are highly rated; it is flexible and has improved access, weaknesses include technology issues, inconsistent wait times and customer service, licensing issues with Mankato, and little relationships with other governments and institutions. City Administrator Harrenstein reported the technical issues should be resolved early in 2020. Finance Director McCann reviewed Ruby Ride opportunities which include evening & weekend hours, after school activity transportation, increased marketing, partnership with providers for paratransit, additional municipal & institutional contracts. Possible threats to the program include obtaining sustainable ridership levels and paratransit licensing.

Finance Director McCann reported Mankato has proposed continuing the Monday through Friday continuous service for approximately \$66,000. North Mankato could return to pre-NSE hours for \$40,000. Mobility hours are linked to fixed route hours. City staff would recommend continuing the continuous service hours for \$66,000, which is what the City budgeted, and continuing the Ruby Ride pilot for an additional year. City Administrator Harrenstein reported additional discussion and direction would need to be provided as additional information becomes available at the end of 2020 and the beginning of 2021. Council Member Oachs expressed continuing support for the continuation and expansion of paratransit services. She requested concrete goals be established for ridership and cost expectations. She also requested with the continuation of the bus routes that the bus shelters be addressed. City Administrator Harrenstein stated paratransit is available during the fixed-route hours. He noted Ruby Ride is currently unable to provide paratransit rides due to a lack of licensing, but they

hope to be licensed by March. Mayor Dehen requested further information on all those requesting paratransit rides and determining if all riders using the service require the service. If they do not, the City should work to provide alternative transportation options for those that don't need paratransit, rather use it for convenience, and reduce the paratransit ridership, which would reduce cost.

Caswell Fieldhouse Financial Feasibility Report

City Administrator Harrenstein reported the update reviews the sales tax extension, the fieldhouse, market analysis, operating statement review, economic impact, partnerships, and recommendations. City Administrator Harrenstein provided a brief review of the Sales Tax Extension. The sales tax was first approved in 2008 and extended in 2016 when 74% of voters passed a referendum to extend the sales tax to \$15 million. A timeline was presented, reviewing the continued discussion by community members, local user groups, the City Council, and regional partners concerning the continued need for recreational facilities. Council Member Norland commented that besides the user groups interested in the facility, a growing number of senior citizens are interested in the facility to improve their health. She also noted a growing interest in pickleball. City Administrator Harrenstein commented that the facility would be both a regional asset and a community amenity. The City of North Mankato has requested \$10.5 million in state bonding dollars to fund the construction of a fieldhouse and enhancements of the original softball and soccer fields at the Caswell Regional Sporting Complex. The City proposed to match the State bonding request with \$5.5 million of local option sales and use tax dollars approved by voters in 2016 and an additional \$500,000 in general fund proceeds. The Caswell Complex Fieldhouse would cost approximately \$13.5 million and would be a 90,000 square foot fieldhouse, including four high school regulation-sized basketball courts, eight youth-sized basketball courts, eight volleyball courts, six tennis courts, locker rooms, concessions, restrooms, indoor batting cages, community rooms and gathering areas.

City Administration Harrenstein reviewed the Market Analysis reviewing the 2013 National Association of Sports Commission Study, the 2017 Greater Mankato Regional Recreation & Minnesota Amateur Sports Commission Facilities Development Update and the 2019 Pinnacle Indoor Sports Multipurpose Sports Facility Market Feasibility Report. All three reports showed a need for additional court space, including basketball, volleyball and tennis. Emphasizing the regional need for the facility. The three studies concluded consistent findings in their analysis of the market for a marketplace for the fieldhouse. They concluded there is user demand, it could be a regional attraction, and all believe issues exist with the affordability that requires alternative forms of revenue to achieve operational sustainability. The City has acquired signed letters of intent with users to confirm demand projections of these studies at a rate of \$33 per youth court per hour. While demand indicates two hard courts and 3-4 tennis courts fulfill market demand, users agree regional significance and rental agreements will require four hard courts and six tennis courts. These findings fit well with the three principles of Caswell Park that have guided it to its preeminence as a nationally recognized facility local enthusiasm, its role as a regional facility, and low operating costs.

City Administrator Harrenstein reviewed the operating statement with total revenue exceeding expenditures in year four. He reported years one through three operating shortfall total estimated to be \$190,000 cumulative and would be covered through transfers. Alternative conservative estimates include annual shortfalls ranging from \$43,000-\$111,000, which is consistent with other regional facilities.

City Administrator Harrenstein reported the economic impact could exceed \$2,000,000 annually with a City staff goal to match Caswell's impact by year ten of operations and bring in over \$8 million in economic impact.

City Administrator Harrenstein reviewed the partners, Minnesota State University, Mankato, Bethany College, South Central College, Mankato Area Public Schools, Minnesota Attack Volleyball, Mankato Basketball Association, Mankato Area Pickleball, Greater Mankato Community Tennis Association, and Minnesota Rise Basketball.

City Administrator Harrenstein concluded that the fieldhouse is a safe partnership for Minnesota because North Mankato is a proven operator of recreational facilities, and the partnership would expand the impact of an existing statewide, regional asset and international tourism destination.

City Administrator Harrenstein requested City Council adopt the Financial Feasibility report as an accurate representation of estimated facility performance and economic impact at an upcoming City Council meeting.

Council Member Whitlock commented that the fieldhouse would be a regional asset, and the City must look at it as a regional complex.

Council Member Oachs concurred that it was a regional asset but also wanted to see the facility used as a local amenity and requested staff continue to look at ways to use the facility to meet the needs of the community. She was interested in an inside play area for kids. City Administrator Harrenstein reported the facility has a community room and would test the market.

Commerce Drive EV Chargers

Finance Director McCann reported City staff has been discussing an Electric Vehicle charging station, and the location was determined to be the MGM parking lot. As part of the Commerce Drive project, the City obtained an easement agreement with the property owner. As part of the construction project, BENCO is installing the appropriate equipment and power to accommodate an EV station in the proposed location. The equipment was purchased from ZEF Energy at the cost of \$62,000. The equipment consists of a level 3 charger and a level 2 charger located side by side.

Finance Director McCann reviewed the proposed price structure for the level three charger, which included a \$3.00 connection fee and \$0.20 per minute. Estimated total annual revenue if the charger has two cars a day use the connection would be \$5,110.00. The proposed price structure for a level two charger is a \$3.00 connection fee. The estimated total revenue is \$180.00 for a total combined level two and level three annual revenue of \$5,290.00. Estimated annual energy expenditures include an annual base fee of \$495.24, an energy charge of \$1,396.80 and \$149.00 in taxes — total estimated expenditures to BENCO of \$2,041.04. ZEF has operational and credit card fees totaling \$443.28, for a total annual cost of \$2,484.31, the City could net \$2,805.69.

Mayor Dehen requested City staff reach out to the Mankato Area Foundation as they are moving forward with a charging station in Mankato, and he would like to set similar rates. City Administrator Harrenstein reported staff would be in contact with the Mankato Area Foundation.

Council Member Oachs requested clarification on if a similar unit would be considered in downtown Belgrade. City Administrator Harrenstein reported it was not included in the TIF, but the option remains.

Mayor Dehen closed the Council Workshop at 1:23 p.m.

Mayor

City Clerk